



A MANIFESTO

ACEA recommendations
for the European Parliament
and European Commission

FOR A



COMPETITIVE



EUROPEAN



AUTOMOBILE

INDUSTRY



EUROPEAN
AUTOMOBILE
MANUFACTURERS
ASSOCIATION





ABOUT ACEA

The European Automobile Manufacturers' Association (ACEA) is the advocate for the automobile industry in Europe, representing manufacturers of passenger cars, vans, trucks and buses with production sites in the EU.

ACEA's members are: BMW Group, Daimler, DAF, Fiat, Ford of Europe, General Motors Europe, Hyundai Motor Europe, Iveco, Jaguar Land Rover, PSA Peugeot Citroën, Renault, Toyota Motor Europe, Volkswagen Group, Volvo Cars, Volvo Group.

ACEA's mission is to:

- Define and advocate the **common interests, policies and positions** of the European automobile industry;
- **Engage in dialogue** with the European institutions and other stakeholders in order to advance understanding of industry issues, and to contribute to effective policy and legislation at both European and global levels;
- **Act as a portal** for expert knowledge on vehicle-related regulation;
- **Communicate** the role and importance of the industry, using reliable data and information;
- **Monitor** activities that affect the automobile industry, cooperating with the other stakeholders involved; and
- **Undertake strategic reflection** on the increasingly global challenges of mobility, sustainability and competitiveness.

Through its member companies, ACEA taps into a wealth of technical, regulatory and practical expertise in the following priority fields:

- Competitiveness, Market and Economy
- Environment and Sustainability
- International Trade
- Research and Innovation
- Safety
- Transport Policy





ACEA RECOMMENDATIONS
FOR THE EUROPEAN PARLIAMENT
AND EUROPEAN COMMISSION

FOREWORD

Employing 12.9 million people and responsible for a fifth of all automotive production in the world, Europe's automotive industry is part of this continent's heritage and its industrial future.

The purpose of this policy manifesto is to highlight to Europe's new leaders and key policy makers the importance and needs of an industry whose turnover amounts to almost 7% of the EU's GDP.

Last year, around 13.6 million new cars, vans, trucks and buses were registered in the EU. That may be down by over a quarter since the pre-crisis peak in 2007, but things are slowly improving. With the European economy slowly recovering, the European Automobile Manufacturers' Association (ACEA) predicts that sales in Europe could rise moderately in 2014. It is hoped that this growth can be sustained alongside the resurgence of Europe's economy.

Indeed, the link between economic growth and the strength of the automobile industry is inextricable. It is for this reason that we, as one of the cornerstones of Europe's economy, call on policy makers to commit to making the reforms necessary to sustain and improve the conditions in which business and industry operate. Growth creates jobs and demand, building a virtuous cycle leading to more jobs and greater prosperity.

As we enter into a new chapter in EU policy-making, our industry is making three recommendations in order to strengthen the global competitiveness of the EU automobile sector, and thereby to fully support the EU's industrial renaissance:



DRIVE INNOVATION

The automobile industry invests €32 billion annually in R&D. Helping the industry leverage this R&D investment through Horizon 2020 is just one route via which the fruits of research and innovation can be rolled out to European consumers and transport operators in the form of cleaner, safer and more connected vehicles.



FOSTER GROWTH THROUGH INTERNATIONAL TRADE

With a net trade balance of €95.7 billion – nearly twice the total trade surplus experienced by the EU in 2013 – the automobile industry puts Europe firmly on the global map. The world vehicle market is on the rise, so open trade is crucial for the further growth of the EU automotive industry. To maximise on this, we must have a trade policy that is balanced, providing real opportunities for export.



BUILD A SUPPORTIVE REGULATORY FRAMEWORK

With a regulatory framework consisting of around 80 EU Directives and over 70 international UN Regulations, the automobile industry is one of the most regulated sectors in Europe. While the industry is committed to actively promoting sustainable mobility, strong support by policy makers through a balanced regulatory framework is needed to maintain its leading position in the global marketplace.

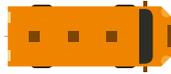
Europe's policy makers and industry leaders need to work hand in hand to build the conditions for growth, jobs and investment – for a future in which Europe's industry is sustainable and competitive, and its citizens are prosperous and mobile. ACEA will continue to contribute constructively to policy discussions so that, together, we can ensure that this vision becomes a reality.

CARLOS GHOSN
President, ACEA
Chairman and CEO, Renault

ERIK JONNAERT
Secretary General, ACEA



DRIVE INNOVATION



WHAT?

The European automobile industry's investment in innovation keeps it ahead of global competition. It is committed to maintaining its leadership in sustainable low carbon propulsion, integrated vehicle safety and vehicle connectivity. It is also committed to ensuring affordability for consumers and transport operators, and the competitiveness of manufacturing in Europe.

WHY?

Bearing in mind that innovation is market-driven, the industry needs the flexibility to drive it forward, with policy and regulations that encourage rather than restrict it. A more substantial share of the available EU funding in Horizon 2020 is necessary to support collaborative, future-oriented automotive R&D and innovation.

HOW?

- Provide greater EU funding for collaborative research in order to leverage the industry's investment, create synergies

through partnerships and secure Europe's technological lead.

- Support dedicated automotive initiatives and research that further advances vehicle connectivity, environmental performance and safety.
- Ensure technology-neutrality in regulations related to new systems and alternative powertrains.
- Exchange best practices on improving the market uptake of alternative fuel technologies between the European Commission, member states and other stakeholders.
- Enable investments in the infrastructure needed to expand the potential of intelligent transport systems (ITS) and connected vehicles across Europe.
- Create closer ties and promote active collaboration between society, scientific institutions and regional investment bodies.

EXAMPLES

- Focus the available budget in Horizon 2020 on key automotive research priorities [2016 revision clause], including the European Green Vehicles Initiative and programmes on 'Road Transport', 'ICT for Smart Mobility', 'Factories of the Future' and 'Logistics'.
- Reduce the total time-to-grant in calls for research projects in Horizon 2020. Fast, single-stage procedures should be applied to accelerate the start of projects and speed up Europe's progress in innovation.
- Simplify procedures for eco-innovations to encourage the development and sale of more environmentally-friendly vehicles.
- Encourage public private partnerships to enable investments in infrastructure.
- Overcome the fragmentation of framework conditions, national funding and regulation by enhancing pan-European harmonisation.

FOSTER GROWTH THROUGH INTERNATIONAL TRADE



WHAT?

International trade is playing an increasingly important role in the overall competitiveness of the European automotive industry. European manufacturers are global players, and therefore need a trade policy that is balanced, fair and reciprocal, providing impetus to produce for both European markets and for export.

WHY?

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

HOW?

- 
 Maintain a comprehensive approach to trade policy that covers tariff elimination, the removal of non-tariff barriers and regulatory cooperation.
- 
 Negotiate and conclude trade agreements only where there are mutually-anticipated benefits, or a 'level playing-field'.
- 
 Carefully assess both the individual and the cumulative impacts of free trade agreements (FTAs) on the EU economy.
- 
 Align Europe's trade and industrial policies.
- 
 Encourage the uptake by third countries of UN Regulations, in an effort to harmonise standards and to reduce the cost of placing automotive products on foreign markets.
- 
 Ensure the systematic and regular monitoring of the implementation of FTAs.
- 
 Eliminate any restrictions on exports and supplies of raw materials.

EXAMPLES

- 
 Maximise the potential of the Transatlantic Trade and Investment Partnership (TTIP) by dismantling tariffs and achieving regulatory convergence with the US. Improve international harmonisation through the Global Technical Regulation process.
- 
 Create full regulatory convergence with Japan based on UN Regulations, so that a vehicle or powertrain certified in Europe can be sold in Japan without the need for further testing, certification, marking or modification.
- 
 Carefully assess the implementation of the EU-South Korea FTA to ensure it is executed fairly and correctly.
- 
 Create a level playing field for European manufacturers in emerging markets such as China.



BUILD A SUPPORTIVE REGULATORY FRAMEWORK



WHAT?

A supportive regulatory framework that fosters growth, jobs and investment is key to the global competitiveness of the industry and the continued strength of the European economy. The industry is fully committed to facing the challenges of sustainable mobility. Nevertheless, policy makers need to strike a careful balance between an ambitious climate and energy policy on the one hand, and future competitiveness and prosperity on the other.

WHY?

Policy makers should ensure that the regulatory framework is not unnecessarily complex. New regulations are often introduced before existing regulations are correctly implemented and enforced in member states. Action should be taken to alleviate this regulatory burden and the cost of doing business in Europe.

HOW?

- The EU institutions should apply the principles of 'Smart Regulation' set out in the CARS21 final report and reiterated in the CARS 2020 Action Plan.
- Robust impact assessments, cumulative impact studies and thorough 'competitiveness proofing' should be carried out systematically whenever proposals are drafted, significantly amended by the European Parliament and/or Council, or legislation is reviewed. Lead-times for proposals affecting industry should be realistic, reflecting the complexity of the implementation required and the possible impact on the supply chain.
- There should be sufficient transition periods between the implementation dates of new regulations to allow for amortisation and depreciation.
- Incentives and interventions that support the renewal of the fleet in EU member states should be consistent.
- New regulations should have a global potential and therefore should not restrict sales opportunities to the EU only.

EXAMPLES

- Apply thorough competitiveness proofing to future proposals regarding safety (Regulation 661/2009), the World Light-Duty Test Procedure (WLTP) and Real Driving Emissions (RDE) and CO₂.
- Ensure the continuity of a flexible and predictable type approval system when reviewing current legislation.
- Apply an 'integrated approach' in all relevant policy areas, including the environment and safety.
- Re-evaluate today's legislative framework to take into account innovative new drivetrain technologies, eg in the field of climate policy.



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