

International Trade



European
Automobile
Manufacturers
Association



Did you know?

- European net-exports of motor vehicles are worth **€95.1 billion** per year.
- The EU exports **6 million** motor vehicles annually.
- The EU's top five export markets by volume are the **United States, China, Turkey, Russia** and **Switzerland**.

What are the key challenges?

1. Ensure free and fair access for European goods and services abroad.
2. Gain reciprocity from Europe's trade partners.
3. Align Europe's trade and industrial policies.

What do we need?

- The elimination of non-tariff barriers so that a vehicle certified in Europe can be sold in other markets without needing further testing, certification, marking or modification.
- Trade agreements that provide duty-free access to other markets.
- Trade policy that promotes economic growth and jobs in Europe.

How can this be achieved?

- Opening negotiations with third countries when there is mutually-anticipated benefit, and concluding them only if both parties agree to act on the swift and reciprocal removal of both tariff and non-tariff barriers.
- Assessing both the individual and cumulative impact of free trade agreements (FTAs) on the EU economy.
- Encouraging the uptake by third countries of United Nations (UN) regulations for motor vehicles to achieve international regulatory harmonisation.
- Refraining from the use of access to the EU automobile market in FTAs as a 'bargaining chip' to gain concessions in unrelated areas.
- Ensuring the systematic and regular monitoring of the implementation of FTAs.

Policy examples

- Transatlantic Trade and Investment Partnership (TTIP)
- EU-Japan FTA
- EU-South Korea FTA
- Conflict minerals

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Policy examples in context

TTIP (EU-US FTA)

What is it?

- The negotiations towards a free trade agreement between the EU and the US, launched in July 2013.

What are ACEA's priorities?

- Ability to sell a vehicle in respective markets with little modification or reassessment.
- Regulatory convergence of both safety and environment regulations.
- The elimination of all automotive tariffs.

How can these be achieved?

- Negotiating a comprehensive auto package.
- Agreeing on equivalence of existing regulations.
- Ensuring alignment of future regulations.
- Ensuring strong and sustained political support throughout the negotiations.

EU-South Korea FTA

What is it?

- A free trade agreement signed in October 2010, in force since July 2011.

What are ACEA's priorities?

- Fair and reciprocal trade terms.
- Elimination of existing non-tariff barriers.
- Avoid new non-tariff barriers.
- Improve market access.

How can these be achieved?

- Reaching an agreement between EU and South Korean authorities on the interpretation of the automotive annex by reviewing its provisions to ensure the correct application of the FTA.
- Providing technical support to both EU and South Korean authorities.

EU-Japan FTA

What is it?

- Negotiation of a free trade agreement between the EU and Japan, launched in April 2013.

What is ACEA's priority?

- Ability to sell a vehicle type-approved in the EU in Japan without further testing or modification.
- Harmonisation with UN regulations on motor vehicles.
- Elimination of fiscal and regulatory advantages for small-capacity engine cars ('kei' cars).

How can it be achieved?

- Eliminating Japanese non-tariff barriers, which raise cost of regulatory compliance for EU exporters.

Conflict minerals

What is it?

- A proposal to establish an EU system for supply chain due diligence self-certification of responsible importers of certain minerals and their ores.

What is ACEA's priority?

- Avoid compliance requirements for downstream users, as they are extremely burdensome and costly due to the complexity of the supply chain.
- Avoid unnecessary costs and bureaucracy.

How can it be achieved?

- Recognising existing schemes such as the OECD's to avoid multiplying reporting and auditing obligations.
- Maintaining the focus of the regulation at the upstream level of the supply chain.
- Waiting for progress in international fora before expanding the scope of mineral and/or geographical coverage.