Michiel van Ratingen
Secretary General
Euro NCAP

Brussels, 29 April 2020

Dear Mr. van Ratingen,

Thank you very much for your email expressing solidarity in these unusual times and for accepting our advice to suspend ongoing and new activities in relation to the Euro NCAP Protocols.

Since we last communicated, the situation in the industry has not improved, in fact quite the contrary. We are currently seeing the following challenges within our member companies due to the Covid-19 situation:

1. **Delay in product launches and market introduction**
   - To date, there is a loss of production of over 2 million vehicles in Europe in 2020 and no immediate improvement in sight. This effect is at least as critical as in the financial crisis in 2008.
   - The whole automotive supply chain will have serious difficulties to restart production, which leads to a further delay or a reduction in manufacturing. This is also heavily dependent on consumer demand with many uncertainties at present.
   - Launches are significantly affected by difficulties and postponement to complete homologation testing and certification on time (e.g. type approval authorities and technical services limited or stopped working).
   - As Euro NCAP know product launches are seeing delays, with some companies currently reporting a delay of 12 months or more.

2. **Massive (temporary) unemployment**
   - The jobs of more than 1.1 million employees in European automotive industry have been affected by the crisis. Many of them are on national furloughing or "Kurzarbeit" schemes, others are simply unemployed. They are currently unable to undertake their day-to-day duties.
   - There is no clarity on when these employees will all be back at work.
   - Currently, the ACEA NCAP task force and expert groups are not able to engage on Euro NCAP 2022 protocol developments due to the absence of key companies' participation.
   - R&D at manufactures and suppliers is heavily influenced, with limitations in work capacities and slowed down activities. Furthermore, since we do not have the thresholds and requirements for the future Euro NCAP protocol until now, the lead time to finalise the development in running vehicle projects is too short.

3. **Legal restrictions at national level**
   - Many Member States have strict social distancing measures in place. Therefore, many OEMs are advocating a working from home policy, which hampers the effective use of company resources and testing infrastructure.
   - National travel bans that are likely to remain in place for the foreseeable future are preventing the possibility to support Euro NCAP on-site testing.
   - There is no clarity yet when the society and the economy will be able to get back to ´normal´ conditions pre-Covid-19.

4. **Economic consequences**
   - Covid-19 has extreme consequences on the economy (e.g. unemployment, GDP decrease in all Member States etc.).
   - Knowing that the Covid-19 crisis will last for months to come, more negative effects are expected.

The automotive industry is committed to road safety, but we expect that the industry will need a very long time to recover from the effects of Covid-19 and would therefore kindly request from Euro NCAP a 2-year delay for the introduction of the 2022 protocols.

As new vehicles will be launched later than planned, we would expect that existing models will remain on sale longer and therefore we would also need to seek a solution for the Euro NCAP ratings which will expire during this time and for partner/twin models. We strongly urge NCAP to create certainty for the industry as soon as possible and to agree to a time adjustment at its earliest convenience.

During these truly exceptional circumstances, we would welcome your cooperation to handle the challenges we all face due to Covid-19 and will be happy to continue our proactive dialogue. We hope that this situation will pass and that we can continue to work together intensively on future Euro NCAP activities as we have been doing until now.

Thank you very much in advance for your kind consideration.

Yours sincerely,

Eric Mark Huitema.

Director General