



European Automotive Manufacturers
Association

*The New European Agenda
For EU Business Associations*

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Implementing the Changes

- Some Factors of Change:
 - Complexity of Product and Industries
 - Density of Regulation
 - New EU at 25
 - New Policy Objectives and New Processes
- *How ACEA is Handling All That?*



Being ACEA: Pros and Cons

- ACEA represents an industry that plays, since many decades, a significant economic and social role
 - 17 million vehicles produced per year
 - 1.9 million direct jobs
 - 19 billion € in R&D investment
 - 33.5 billion € of net trade contribution
 - 340 billion € of tax revenues
- This, undoubtedly, helps to have your voice heard, but...



Being ACEA: Pros and Cons

- ACEA also represents an industry and a product that is constantly under the spot in many areas:
 - Environment (emissions, CO2, ELV, noise...)
 - Safety (e-safety, pedestrian, EuroNCAP...)
 - Mobility
 - Intellectual Property (design protection...)
 - Tax, etc
- This means we are constantly under pressure and in the public arena



The Challenge for ACEA

- ACEA's current challenge focus on:
 - Handling the density and complexity of regulation (85 EU dir., 115 UN-ECE leg.)
 - Shifting the focus from problems to solutions (and the many achievements made)
 - Demonstrating that only a healthy and competitive auto industry can continue to contribute to Europe's wealth and sustainable mobility



The ACEA Model

- ACEA's added value to the industry is based on its own structure and functioning:
 - Association of companies (13) – Not a federation!
 - Direct involvement of member's CEOs in BOD
 - Work based on expertise (ca. 60 WGs)
 - Close coordination with National Associations (24)
 - Coordination of Brussels lobbying (BARs)
 - Interlocutor at global level (WP-29, OICA) and offices in Tokyo and Beijing
- All this ensures quick and effective response and credibility as a stakeholder



The New EU

- Enlargement brings a new spin to some issues
 - Need to “catch-up” on safety& environment standards, infrastructure, etc
 - Need to digest a huge acquis on automotive
 - Need to counter the “de-localisation fear” in older EU MS
- They also bring a new spirit
 - Openness to changes and flexibility, entrepreneurship
 - More pragmatic approach



The New EU

- Enlargement not an issue in itself for ACEA
 - Industry already present in new MS
 - In most cases, MS associations fully integrated in ACEA's work since before enlargement
- EU-25, though, does not make work easier in Brussels !
 - Specially true at Council and EP level
 - Requires more resources, time, travel, etc.
- All in all, enlargement brings more opportunities than challenges



New Processes

- Competitiveness of the European economy is today the biggest challenge of the EU
 - Has many dimensions (economic growth, sustainability, societal demands, regulatory framework...)
 - Is the declared top priority of the Barroso Commission
- The “Lisbon Agenda” is per se an ambitious and risky new process
- Automotive, through CARS 21, is the first test case of a new, holistic approach to sectorial regulation in the EU



CARS 21 – Main Objective (Commission)

CARS 21 = 'Competitive Automotive Regulatory System for the 21st Century'

'Make recommendations for the ST, MT and LT public policy and regulatory framework of the European Automotive industry, that enhances global competitiveness and employment while sustaining further progress in safety and environmental performance at a price affordable to the consumer'.

*'...[the group] will aim at an **integrated approach**, so as to **avoid negative interaction and cumulative effects** of the various policies'*

*'It will look at ways on **how to reduce the costs** of existing and new legislation where possible'*

'The result should be a roadmap that identifies the measures that should be taken over the next 10 years to enhance the competitiveness of the industry'

=> CARS 21 discussions to be structured around **4 main themes:**

Competitiveness, Better Regulation, Environment, Safety



CARS 21 – Composition

Commission, Member States, EP, Industry, Trade Unions, NGOs, Users

Commission

- G. Verheugen, **Chairman** (Vice-P, Commissioner DG Enterprise & Industry)
- J. Barrot (Commissioner for Transport)
- S. Dimas (Commissioner for Environment)

Member States

- W. Clement (G – Federal Minister for Economy & Employment)
- M. Beckett (UK – Secretary of State for Environment, Food & Rural Affairs)
- P. Devedjian (FR – Minister-delegate for Industry)
- M. Jahn (CR – Deputy Prime Minister)
- P. Lunardi (IT - Minister for Infrastructure & Transport)

High-Level Group = 20 members

European Parliament

- M. Harbour (EPP, UK)
- G. Duin (PSE, DE)



CARS 21 – Composition

Industry

- B. Pichetsrieder (ACEA President, CEO VW Group)
- L. Schweitzer (CEO Renault)
- L. Johansson (CEO AB Volvo Group)
- S. Marchionne (Fiat Group)
- L. Booth (CEO Ford of Europe)
- A. Batteux (President of CLEPA)
- W. Bonse-Geuking (President of EUROPIA)

Trade Unions

- P. Scherrer (SG of European Metal Workers Federation)

NGOs

- D. Baldock (Director of the Institute for European Environment Policy)

Road users

- M. Mosley (Director General of FIA)



CARS 21 – Meetings Calendar

● **High Level Group (HLG) Meetings:**

- 1st HLG meeting: 11 April 2005 (terms of reference)
- 2nd HLG meeting: 13 July 2005
- 3rd HLG meeting: 21 November 2005 (conclusions and recommendations)
- 4th HLG meeting: 12 December 2005 (concluding meeting)

● **Sherpa Meetings:**

- 1st Sherpa meeting: 21 February 2005 (10am-5pm)
- 2nd Sherpa meeting: 17 May 2005
- 3rd Sherpa meeting: 14 June 2005
- 4th Sherpa meeting: 4 July 2005
- 5th Sherpa meeting: 26 September 2005
- 6th Sherpa meeting: 24 October 2005
- 7th Sherpa meeting: 5 December 2005 (if necessary)



CARS 21 – Other Activities

- Commission Internet Consultation: 15 April 2005
- Commission Public Hearing: 26 April 2005
- European Parliament Hearing: July 2005 (?)

Current status within Sherpa Group: Preparation of a two pager defining ACEA's objectives and priorities for CARS 21 (deadline: 18.03.05).



ACEA Objectives for CARS 21

- **Strengthen the industry's home market** by developing economic and regulatory framework conditions within which the European MV industry can grow and improve its global competitiveness!
- **Better and more cost-efficient regulations** => Review EU automotive policy, ensuring that forthcoming regulatory proposals are formulated in a reasonable and carefully planned way.
- **Cut the cost burden of regulation and prevent incompatible and cumulative impact of regulation.**
- **Address strategic horizontal and vertical automotive issues outlined by industry**
 - Better Regulation and policy making, Internal Market Completion, global harmonisation of technical regulations integrated approach for safety and environment protection issues, R& D, CO2 emissions reduction, future legislation on emissions standards, road safety measures, design protection, WVTA for CVs, IPR enforcement.
- **Establish a coherent roadmap**
 - Relate clearly environment and safety issues to competitiveness efforts!



ACEA Priorities (Horizontal)

- Define an efficient and competitive automotive policy process and framework
- Support the full and rapid completion of the Internal Market
- Promote an efficient R&D and innovation framework
- Promote an efficient European Transport Policy
- Promote a dynamic trade and investment environment in third countries
- Reinforce the Competitiveness Council so that it can more effectively and coherently fulfill its mandate



ACEA Priorities (Vertical)

- CO2 emissions reductions (incl. integrated approach)
- Future legislation on emission standards (PCs and CVs)
- Safety (incl. integrated approach)
- Design protection for visible spare parts
- Taxation
- WVTa Framework Directive for Commercial Vehicles



CARS 21 – Discussion Status

Discussion Issues

Develop & Apply
Better Regulation
principles

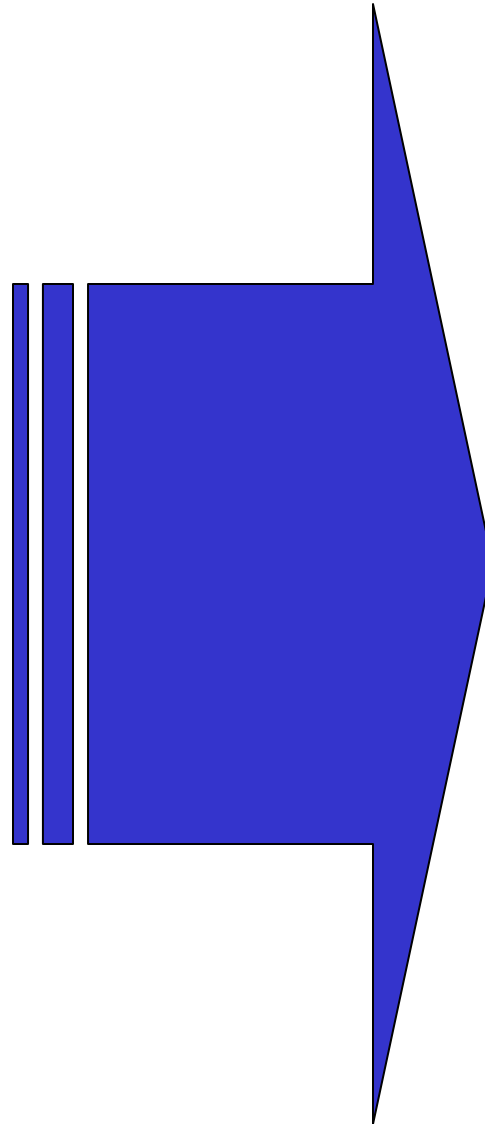
Review pending EU
automotive
legislation with
view to reduce cost
of legislation

Discuss forthcoming
automotive
legislation

Simplify existing EU
automotive
legislation

Other Strategic
Horizontal Issues

(R&D, IM completion,
Market Access, Tran. Policy)

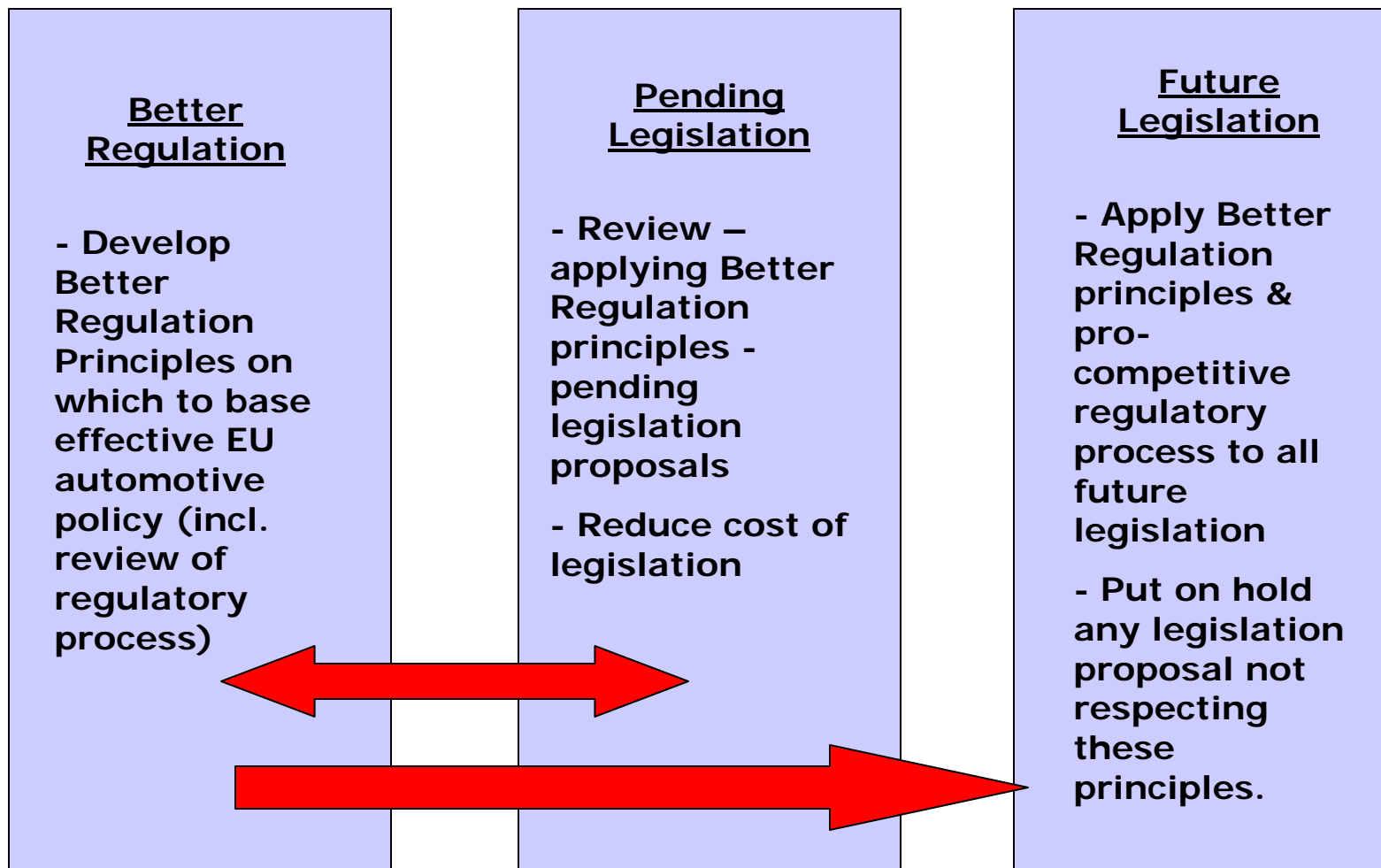


Final Objective:

Enhance
competitiveness of
the European
automotive industry
through the
development of a
competitive
regulatory system
for the automotive
sector



ACEA Three Pillars Approach





To Conclude

- New environment (economic, institutional) requires:
 - Going back to the basics of the EU (to foster growth and complete internal market) in order to be able to maintain the European way of life
 - Strengthen competitiveness and cost-efficiency (on the basis of innovation and excellence) in order to be able to compete globally
 - To redesign the regulatory framework and policy approaches



To Conclude

- For EU industries and their Brussels-based bodies, this implies:
 - A real long-term vision and clear priorities
 - A strong grip on the existing issues
 - Being ready to engage in new, unconventional, multi-stakeholder processes
 - Undisputable credibility
- ***Brussels lobbying is being redefined. Be ready for some tough rides. Only those who “walk their talk” can succeed***