PRESS RELEASE

Brussels, 22.10.2012

Innovation to create growth and employment

On 19 October the EU Council reviewed progress on growth and jobs confirming innovation as the solution to European woes. Two days earlier at the CLEPA breakfast debate co-hosted by MEP Christian Ehler on Horizon 2020, Mr Jean Marc Gales, CEO CLEPA, spelled out the five priority areas for automotive research: Decarbonisation of road transport, including advanced ICE power-trains; Advanced lightweight materials; Safety; Intelligent transport systems; Advanced Manufacturing-engineering technologies.

"The solution for current problems is not to give money for the closure of factories but innovation" declared Mr Jean Marc Gales.

The automotive suppliers collectively employ 5 million people in Europe, making it a leading creator of wealth on our continent.

Automotive companies invest yearly over 30 billion Euros in RDI bringing to the market an increasing diversity of products, with ever shorter development and product cycles. In addition, regulatory requirements and customer expectations have made it increasingly important to develop new technologies and systems, for higher comfort, environmental and safety performance.

Furthermore, the industry faces increasing competition from other regions of the world in technologies that have traditionally been dominated by the Europeans. Funding of RDI activities should therefore be focused on maintaining and strengthening this competitive advantage.

"We urge ministers to confirm the Commision's proposed 80 billion budget for the Horizon 2020 programme for 2014-2020. Innovation is not a choice but the key to the survival of the industry, by creating jobs and by ensuring sustainability" said Mr Gales.

CLEPA supports smart selective regulation which will contribute to maintain the global technological leadership notably concerning safety and environmental issues.

The significance of the road transport sector for the prosperity and competitiveness of the European Union should be well and proportionally reflected in the Horizon 2020 framework programme.

The automotive industry is a major contributor to the EU economy, generating a turnover of 551 billion euro, which represents around 6.9% of the Europe's gross domestic product (GDP).

"Given the figures, the EU should allocate at least 5.5 billion euro to road transport from the expected total budget"continued Mr Gales.

All companies in the supply chain should be eligible for EU support. The key aspect of funding an activity should be the European dimension and not the type and size of company. SMEs need to participate in EU projects. This will help them integrate in

global market schemes. To raise the level of industry involvement, rules for participation must be simplified and time to grant shorter.

A skilled workforce is an absolute necessity to innovate, develop and manufacture new technologies. In this context the core problem is a qualitative and quantitative shortage of skills. This is due mainly to the ageing workforce, the poor image of the manufacturing sector in the eyes of young talent, the wide diversity of national education systems and the ever accelerating pace of technological change.

"There is a tremendous need to improve the available skills base increasing the number of STEM (Science, Technology, Engineering and Mathematics) graduates. The EU and Member States must anticipate the needs of the industry in respect of skills and innovation to ensure European sustainable growth" concluded Mr Gales.