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CO2 vehicles emissions regulation on hold

Yesterday the EU Irish Presidency postponed the Council's vote on the revision of the 2020 targets for reducing CO2 emissions from passenger cars and vans, casting doubts on the future of draft law.

"CLEPA believes that the 95 g/km for cars and 147 g/km for vans targets are the best compromise between costs and CO2 emission reductions and they will help strengthening the competitive advantage of the European automotive industry. The retention of super credits and eco-innovation for low emission vehicles will boost the development of breakthrough technologies", said Mr Jean Marc Gales, CLEPA CEO.

The implementation of CO2 targets will create employment and benefit consumers and industry. The 2020 targets offer a clear and stable legal environment for investment, and will further stimulate innovation by vehicle producers and component suppliers. In addition, fuel efficiency can create high-skilled jobs in engineering and advanced manufacturing.

"Smart regulation would bring about safer, greener and more interconnected cars that would reinforce the European technological leadership", said Mr Jean Marc Gales.

The European car market is declining and will stay at the current low level for the next 2 years, at least. Direct job losses at the level of OEM or Tier 1 supplier have further consequences alongside the supply chain and for the entire economy. It is estimated that in case of closures of 10 vehicle manufacturers' plants with an average of 2,500 employees this will entail around 75,000 redundancies in the suppliers industry and in total 100,000 direct job losses in the automotive industry.

"European suppliers need cash for plants adaptation in Europe, to build factories in Asia or South America and for innovation. But cash is currently short in supply, especially for SMEs" said Mr Jean Marc Gales.

The European automotive suppliers industry is a global technology leader, largely due to its yearly investments of €18 billion in innovation. For years, European suppliers have registered the most patents for innovations in emissions and safety. *"We absolutely need to keep high-level research and innovation in Europe. The EU funds currently allocated to the automotive industry are insufficient to guarantee this"* stressed Mr Jean Marc Gales.

Our ability to remain competitive and to innovate relies on skills. A shrinking and ageing workforce requires higher productivity. Skills will be key to successfully manage the transition to a low-carbon economy. *"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.

Note to Editors

CLEPA is the European Association of Automotive Suppliers.

105 of the world's most prominent suppliers for car parts, systems and modules and 25 National trade associations and European sector associations are members of CLEPA, representing more than 3 thousand companies, employing more than 5 million people and covering all products and services within the automotive supply chain. Based in Brussels, Belgium, CLEPA is recognized as the natural discussion partner by the European Institutions, United Nations and fellow associations (ACEA, JAMA, MEMA, etc).

Facts about the European automotive industry

- Some **12 million** people are employed in the European automotive industry
- European automotive suppliers employ directly **5 million** people
- European automotive suppliers invest **€18bn** in RDI per year. They are one of the biggest private investors into research and innovation
- Per year, **18 million** vehicles are manufactured in Europe, contributing to the stability and growth of the European economy

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