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**PRESS RELEASE**

**CLEPA Press Release in support of the Commission's European Recovery Action Plan**

CLEPA welcomes the European Recovery Action Plan presented by Commission President Barroso on 26 November. This timely and concise strategy comes at a moment of unparalleled economic difficulties and offers European industries and businesses support in difficult times.

Europe continues to move into a climate of economic uncertainty, leading to investment and consumer downturn, sparking a vicious cycle of falling demand, downsized business plans, reduced innovation, resulting in widespread job cutting.

In such a situation, CLEPA supports the Commission's plans to firstly inject purchasing power into the European economy, secondly to reinforce the competitiveness of Europe in the long term and thirdly temporarily soften the Maastricht criteria on state aid, all of which will benefit the hard-pressed automotive sector and thereby the wider economy. CLEPA also agrees with the need for structural reforms and as a voice of the automotive sector - one of the leading investors in R&D - is encouraged to see the Commission's commitment to increasing investment in R&D and innovation, developing clean technologies for cars.

With the "European green cars initiative" the Commission proposes to launch a major partnership between the public and private sectors aimed at the automobile sector. This initiative will involve research on a broad range of technologies and smart energy infrastructures essential in "achieving a breakthrough in the use of renewable and non-polluting energy sources, safety and traffic fluidity". It was announced that the partnership would have a combined envelope of at least €5 bn, in a split of €4 bn coming from the EIB and €1 bn being provided by the EC and Member States. Parallel to this, the EIB has announced a package of soft loans worth a total of €16 bn (€4 bn per year, over four years, starting in 2009) with which it will give financial project support of up to 75% per project focusing on green technologies.

In addition to this initiative, the EIB has put together a package of €30 bn for loans to SME's and will also reinforce by € 1 bn a year its lending to mid-sized corporations. CLEPA understands the Commission's focus on research, innovation, training, environmental protection and in particular clean technologies, transport and energy efficiency and will work with its members to include such priorities in future funding applications.

CLEPA notes that the EIB would provide cost-based loans to car producers and suppliers to finance innovation, in particular in technologies improving the safety and the environmental performance of cars, e.g. electric vehicles, but asks the institutions to rapidly clarify under what terms and conditions our members can take advantage of the funds announced, as time is of the essence and issuing clear application procedures will accelerate and facilitate the procedure.

CLEPA, pleased with the Commissions intention to speed up the implementation of the CARS21 initiative, reaffirms the automotive sectors commitment to cooperation and joint undertakings and now calls on the members of its Research and Development Working Group (RTD WG) to focus on supporting the European Commissions plan with solid project proposals.

Overall, CLEPA congratulates the European Commission President on the presentation of the European Recovery Action Plan and joins him in calling upon Member States support it.

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CLEPA is the European umbrella membership organisation representing the interests of the global automotive supply industry. 80 of the world's most prominent suppliers for car parts, systems and modules and 27 National trade associations and European sectoral associations are members of CLEPA, representing more than 3,000 companies, employing more than three 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).

