



C L E P A
*European Association of
Automotive Suppliers*

CLEPA Press Release on the CARS 21 High Level Conference

PRESS RELEASE

Brussels, 29 October 2008

On 29 October 2008 the Members of the CARS 21 mid-term review presented their report including 16 unanimously-adopted recommendations.

The report comes at a time of unforeseen and unparalleled economic difficulties for EU economies and the automotive sector. The current economic situation is therefore having an adverse impact on the sales of new vehicles in Europe, further complicating the situation with regard to manufacturing capacity utilisation. Lower sales and an unfavourable economic environment in turn translate into reduced margins and profitability, putting pressure on employment and limiting the possibility of increasing R&D budgets.

In respect to the 16 identified recommendations, CLEPA would like to make the following four observations:

- On the application of **Better Regulation** principles, CLEPA recognizes that efforts are to be made to implement these principles for the automotive sector law-making in terms of content and process.
- Another area impacting on the future competitiveness of the automotive industry are CO₂ emissions standards and **Eco-Innovation**. The application of an integrated approach to CO₂ reduction should be continued while cost-effectiveness, sufficient lead time and regulatory predictability should form a core part of implementing such an approach. CLEPA sees Eco-Innovations as a tool for reducing CO₂ emissions from vehicles and for measuring real-life emissions, as well as promoting innovation and setting a framework supportive of EU leadership in environmental technologies.
- On the **Motor Vehicle Block Exemption Regulation**, CLEPA supports the Commission's work, acknowledging the need to maintain sound and fair competition in the automotive distribution and repair market for the benefit of consumers. CLEPA believes that in order to ensure maximum consumer benefits, effective competition should be maintained in servicing and repair markets and holds that access to repair information should be available as required to multi-brand workshops, publishers, road assistance providers and manufacturers of diagnostic tools. Future decisions regarding the BER should be based on the rigorous application of better regulation principles and maintaining legal certainty and effective competition.

- On **Trade**, CLEPA supports the principle of increased liberalization and improved market access to third-country economies with a focus on the elimination of NTBs (Non-Tariff Barriers) in such countries.

The full report also covers other areas such as road safety, improving the internal market (e.g. new type-approvals for electric vehicles), restructuring of the sector and taxation/incentives.

CLEPA reaffirms its commitment to the work of the CARS 21 High Level Group and the mid-term review and would like to stress that, as with all Community legislation, a lead time and a predictable regulatory framework are essential to improve the future competitiveness of the automotive industry.

The High-Level Group on a competitive automotive regulatory system for the 21st century (CARS 21) was set up in April 2005 by the European Commission to chart the way towards sustainable development of a competitive European automotive industry. The group, chaired by Vice-President Günter Verheugen, was mandated to make recommendations for the short, medium and the long term public policy and regulatory framework for the European automotive industry

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).

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