

Resolution on the future of the automotive industry

2009/2560(RSP) - 25/03/2009 - Text adopted by Parliament, single reading

Following the debate which took place during the sitting of 24 March 2009, the European Parliament adopted by 413 votes to 44, with 29 abstentions, a resolution on the future of the automotive industry. The resolution had been tabled by the EPP-ED, PES, UEN and ALDE groups. Parliament notes that in the EU, the automotive sector has a structural overcapacity, and that 2009 is expected to witness a further significant drop in vehicle demand and consequent drop in production, inevitably raising pressure on employment and investment levels. The European automotive industry employs 12 million workers directly and indirectly, that is 6 % of the employed population in the EU, and millions of those jobs are today at risk, many of which are highly skilled-jobs which should not be lost.

Parliament recognises that the automotive industry has been put under intense pressure by the current financial crisis, reflected in a severe fall in demand for motor vehicles but also in its production overcapacity, difficulties in accessing credit financing and structural problems predating the crisis. It draws attention to the **importance of coordinated initiatives** between Member States, and calls for a genuine European framework for action providing concrete steps to enable the necessary decisive measures to be taken both at EU and Member State levels. Members note with increasing concern that some short-term measures adopted at national level could contribute to the distortion of competition within the single market, damaging long-term competitiveness.

Parliament welcomes the temporary framework for State aid assessment established as part of the European Economic Recovery Plan, and also the Commission's efforts to provide an effective political response to the difficulties of General Motors Europe by coordinating the efforts of the Member States concerned. It calls on the Council and Commission to **increase financial support for the automotive industry**, notably through the European Investment Bank (EIB), and by allowing State guarantees for low-interest loans. It urges a simplification of the administrative procedure for loan applications. This financial support, notably via loans, should help to stimulate demand for new vehicles. The EIB must give sufficient attention to the SMEs connected to the automotive sector so that they maintain access to credit. Member States should increase the EIB's lending capacity in order to match the mid-term financial needs of the automotive industry.

Parliament insists that all financial or fiscal measures, including scrapping schemes, must accelerate the necessary technological transformation of the sector, particularly in the area of energy efficiency of engines and the reduction of emissions, in full compliance with recently adopted legislation. Policies, both at EU and national levels, should contribute to tackling the restructuring and reconversion phase that the automotive industry and its supply chain industry are facing, due to a very competitive business environment. The industry is asked to develop a coherent business strategy and to implement such adjustments in a socially responsible way, in close cooperation with trade unions.

Parliament asks the Commission to do the following:

- ensure best use of the European Funds available in support of jobs, such as the Cohesion Fund, Structural Funds, Social Fund and Globalisation Adjustment Fund, within the context of the balanced implementation of all the 'Lisbon priorities' and to speed up access to such Funds, which should contribute to retraining schemes;
- draw up guidelines and recommendations for measures encouraging a coordinated approach to fleet renewal, such as scrapping schemes and other market incentives, having positive and short-term

effects on consumer demand for new motor vehicles and aimed at reinvigorating the automotive leasing market;

- monitor national measures already implemented in this context to avoid distortions on the internal market;
- monitor developments in non-EU countries, notably in the United States and Asia, to guarantee a level playing-field at international level, refraining from protectionism and discriminatory measures in the global automotive market;
- secure a balanced and fair deal between the EU and South Korea before the conclusion of the Free Trade Agreement;
- carry out a thorough assessment of the impact of future Community legislation on motor vehicles, in line with the recommendations of CARS 21, thus ensuring legal certainty and predictability in the automotive sector.

Lastly, Parliament invites the Commission to facilitate, improve and speed up the access to EU support instruments for R&D and innovation, such as the Seventh Framework Programme for research and technological development.