European Automobile Industry: progress in the structural adjustment of the industry. Report

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OBJECTIVE: On the basis of the Commission's most recent communication on the automobile industry of February 1994, the Council adopted a resolution on the automobile industry in May 1994 in which it called on the Commission to report on the industry's structural adjustment and on the progress achieved in implementing the said resolution. This communication is designed to respond to the Council's request.
SUBSTANCE: The Commission document lists the major measures taken since the adoption of the Council resolution and defines the elements of the future strategy. Among the achievements and measures under way it refers in particular to the following: - the Task Force 'The Car of Tomorrow' has started to operate; - the block exemption regulation for the distribution of motor vehicles has been revised; - industrial cooperation has been established with China and India; - the Korean and Japanese markets have been opened further to European imports; - contacts between European suppliers and Japanese manufactures have been enhanced; - the necessary regulatory work for the EC Type-Approval, becoming mandatory for new types of passenger cars in 1996, has been completed; - the results of the Auto-Oil Programme, which is based on air-quality targets for major European cities and a detailed cost-benefit assessment, have been released; - new safety and environmental initiatives have been taken (front and side impact crash protection, safety belts in buses and coaches, etc.) are under way; - a training network has been set up with funding from the FORCE Programme, resulting in 53 concrete and innovative training project proposals, and the continuation of networking under the LEONARDO Programme has been confirmed. The Commission takes the view nevertheless, that further joint industry-governmental efforts need to be undertaken to facilitate a further improvement in the industry's competitiveness, which it regards as one of the bedrocks on which the European economy is built. What is mainly involved is the promotion of non-material investment, in particular in R&D and training, to ensure effective competition, to develop industrial cooperation and to modernize the role of the public authorities. Furthermore, the Commission will continue to work to improve the framework conditions for the European automotive industry, utilizing cost-benefit assessment techniques to take environmental and social constraints into account in new regulatory policy. It supports the establishment of a high-level group to advise the Commission on questions concerning the automotive sector and provides for the early creation of a second high-level panel comprising senior representatives from the Commission, the automobile and component industries as well as from power-generating utilities and public authorities to advise the Commission on research priorities and strategies.