

CARS 21: a competitive automotive regulatory framework

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The Council held a policy debate on industrial policy. As regards the automotive industry in particular, it emphasised the need to formulate the framework conditions for the EU automotive industry in such a way that it can successfully face up to the increased competition on the global market. It regards the recommendations contained in the final report of the CARS 21 High Level Group as a good starting point for achieving this objective.

The Council welcomes the Commission's communication on the CARS 21 report and invites it to implement speedily and coherently the proposals and initiatives contained therein for improving the regulatory framework for the EU automotive industry, once their impact is assessed, so as to achieve as much progress as possible in implementing them by the time of the interim review in 2009.

The Commission is called upon to give priority to those proposals and initiatives which can be expected to have the biggest impact on improving the European regulatory framework for the automotive industry and, in particular, securing its international competitiveness also with regard to initiatives in the areas of environmental protection and road safety. The Council underlines the significance of a stable, long-term, proportionate, coherent and consistent regulatory framework for the successful development of the EU automotive industry and calls on the Commission to incorporate into Community policies the following principles: (i) adoption of an integrated approach, which involves all stakeholders, to developing and implementing measures to tackle environmental and safety challenges; (ii) legislative measures regarding the policy towards cars must be formulated on a long-term and technologically neutral basis; (iii) all relevant stakeholders are to be consulted at an early stage and extensively on all initiatives and draft legislation affecting the car sector and the results are to be appropriately reflected in decision-making; (iv) thorough impact assessments of all new proposals are to be submitted at an early stage. The framework conditions for the EU automotive industry must, as part of a stringent competitiveness test, also be compared with the framework conditions in major competing countries; (v) new vehicles should continue to be accessible to different consumer groups if environmental and safety improvements are to be achieved through a continuous fleet renewal process; (vi) the programme for simplification of the regulatory framework must continue to be implemented speedily, focusing on the needs of the car sector.

Moreover, the Council supports the Commission's proposals to reduce the car manufacturers' administrative burden by replacing EU Directives with UN/ECE Regulations and by introducing the instrument of self-testing and virtual testing, under strict surveillance of type-approval authorities. It underlines the contribution which the Community's financial instruments (e.g. EIB, Structural Funds) can make to accompany a structural change in the car sector and requests that they are used in a targeted manner and in accordance with the prevailing rules of these instruments.

The Commission is also called upon:

- in the context of bilateral free trade agreements, to give priority to countries with a high market potential, to ensure reciprocity, to assess the impacts of such agreements, to ensure that non-tariff barriers to trade are abolished, to combat uncompetitive practices in third countries which are detrimental to the EU automotive industry and to guarantee effective protection of intellectual property rights;

- in the framework of the 7th research framework programme, to intensify its efforts to promote innovative and highly efficient propulsion technologies and systems, alternative fuels, intelligent and safe

motor vehicles and to set the course in good time for best technologies and for future clean, low-carbon or carbon-free technologies;

- to come forward with a proposal for Euro VI emission limit values for heavy-duty vehicles this year at the latest in order to give the automotive industry sufficient lead time for its implementation;

- to configure the planned framework for attaining the target for average CO₂ emissions from the fleet of new cars sold in the EU on the basis of a thorough impact assessment in a way that is as neutral as possible from the point of view of competition, and which is socially equitable and sustainable. It should be framed in such a way as to ensure that all manufacturers continue efforts to make their whole vehicle production more environmentally friendly in a cost-effective way.

Lastly, the Council invites the Member States, and where appropriate, the Commission, in connection with developing a CO₂ strategy in the automotive sector, to examine to what extent, in addition to the automotive industry's possibilities for CO₂ reduction and the potential in the field of biofuels, contributions by other players both on demand and supply side or via other measures (e.g. CO₂-based vehicle tax and other fiscal measures, traffic infrastructure and management, driving behaviour, renewal of the vehicle fleet, stimulation of public transport) can also be enhanced.