Basic information

2013/2062(INI) INI - Own-initiative procedure	Procedure completed
CARS 2020: towards a strong, competitive and sustainable European car industry **Subject** 2.10.03 Standardisation, EC/EU standards and trade mark, certification, compliance 3.20.06 Transport regulations, road safety, roadworthiness tests, driving licence 3.40.03 Motor industry, cycle and motorcycle, commercial and agricultural vehicles 3.40.14 Industrial competitiveness 3.45.03 Financial management of undertakings, business loans, accounting 3.45.08 Business environment, reduction of the administrative burdens 3.50.01 European research area and policy 3.50.04 Innovation 3.50.08 New technologies; biotechnology 3.60.05 Alternative and renewable energies 3.70.02 Atmospheric pollution, motor vehicle pollution 3.70.03 Climate policy, climate change, ozone layer 3.70.07 Noise pollution 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 6.20 Common commercial policy in general 8.40.07 European Investment Bank (EIB) 8.70 Budget of the Union	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	PROUST Franck (PPE)	06/02/2013
	Shadow rapporteur GIEREK Adam (S&D) VĂLEAN Adina (ALDE) JADOT Yannick (Verts/ALE) TOŠENOVSKÝ Evžen (ECR)	

Committee for opinion	Rapporteur for opinion	Appointed
INTA International Trade	BADIA I CUTCHET Maria (S&D)	20/02/2013
BUDG Budgets	The committee decided not to give an opinion.	

ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	SIPPEL Birgit (S&D)	06/02/2013
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	COFFERATI Sergio Gaetano (S&D)	18/12/2012
TRAN Transport and Tourism	VLASÁK Oldřich (ECR)	20/02/2013

European Commission

Commission DG	Commissioner
Internal Market, Industry, Entrepreneurship and SMEs	TAJANI Antonio

Key events

Date	Event	Reference	Summary
08/11/2012	Non-legislative basic document published	COM(2012)0636	Summary
18/04/2013	Committee referral announced in Parliament		
05/11/2013	Vote in committee		
15/11/2013	Committee report tabled for plenary	A7-0391/2013	Summary
09/12/2013	Debate in Parliament		
10/12/2013	Decision by Parliament	T7-0547/2013	Summary
10/12/2013	Results of vote in Parliament		
10/12/2013	End of procedure in Parliament		

Technical information

Procedure reference	2013/2062(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165

Stage reached in procedure	Procedure completed
Committee dossier	ITRE/7/11711

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE513.268	25/06/2013	
Committee opinion	IMCO	PE510.661	10/09/2013	
Committee opinion	INTA	PE514.643	23/09/2013	
Committee opinion	EMPL	PE510.607	27/09/2013	
Amendments tabled in committee		PE519.523	27/09/2013	
Committee opinion	TRAN	PE514.598	18/10/2013	
Committee report tabled for plenary, single reading		A7-0391/2013	15/11/2013	Summary
Text adopted by Parliament, single reading		T7-0547/2013	10/12/2013	Summary

European Commission

Document type	Reference	Date	Summary
Commission document (COM)	COM(2012)0636	08/11/2012	Summary
Commission response to text adopted in plenary	SP(2014)260	06/05/2014	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	CZ_SENATE	COM(2012)0636	16/07/2013	

CARS 2020: towards a strong, competitive and sustainable European car industry

2013/2062(INI) - 08/11/2012 - Non-legislative basic document

PURPOSE : to present an Action Plan for a competitive and sustainable automotive industry in Europe (CARS 2020).

BACKGROUND : the automotive industry is of **strategic importance** to the European economy. The sector represents around **12 million direct and indirect jobs** and delivers a sizeable positive contribution to the EU trade balance (growing over the last few years and reaching € 90 billion in 2011). The industry records the biggest private spending on research and innovation (€ 28 billion in 2009) and is an essential driver for technological innovation. It is an important **multiplier of growth**, due to strong economic linkages with many industrial sectors.

The automotive sector is today at an **historic turning point**: production and trade patterns are shifting and the climate agenda is becoming more urgent. At the same time, road safety remains an important concern.

In the past months, the European automotive industry has been facing an **increasingly difficult period**, with the EU market for new cars declining for the fifth consecutive year. Several manufacturers have reported **financial losses on the EU market** mostly due to declining sales combined with the long-standing structural issue of overcapacity.

At the end of 2010, the Commission decided to re-launch the **CARS 21 High Level Group**, which was originally set-up in 2005, as a follow-up of the Commission Communication "European strategy on clean and energy-efficient vehicles", adopted on 28 April 2010.

Against this background, the Group has defined **a common view on key characteristics of a strong and competitive automotive industry and progress towards sustainable mobility for EU society in 2020** as follows**:**

- an automotive sector which remains of **strategic importance** and a cornerstone for the EU industry and economy;
- a **strong manufacturing base** in the EU for road vehicles and components, manufacturing a sizeable part of the vehicles and parts sold on the EU market;
- a strong industrial network with a flexible and integrated supply and distribution chain;
- a sector **exporting** a larger portfolio of high-quality and high-technology vehicles to third markets;
- **global markets which offer a genuine level playing field** to all players in the sector, with fair chances for all technologies;
- an automotive industry that is leading in technology, in coordinated action with the fuel supplier industry, producing vehicles which are attractive to EU consumers, clean in terms of **regulated pollutants, more fuel-efficient, safe, quiet and connected**;
- a portfolio of propulsion technologies, dominated by advanced combustion engine technology, though increasingly electrified. In addition, the deployment of vehicles with alternative powertrain concepts (such as electric5 and fuel cell vehicles) is becoming significant;
- appropriate **refilling and recharging infrastructure for alternative fuel vehicles** being built, in line with their market potential;
- a **workforce** in both manufacturing, R&D and servicing that is trained and prepared to work with a multitude of technologies.

The Commission fully recognises these challenges and the need of an **ambitious industrial policy strategy for the automotive sector**. With this strategy, the Commission intends to support the active role the automotive sector will play in seeking to reverse the declining share of industry in Europe from its current level of around 16% of GDP to as much as 20% by 2020.

CONTENT : based on recommendations by the CARS 21 High Level Group, the Communication presents **an Action Plan for the automotive industry**, highlighting the Commission's commitment to support the sector's competitiveness and sustainability. It is the first concrete example of the application of the updated vision for industrial policy in a sectoral setting, i.e. the automotive industry. This Action Plan is articulated around the following **four pillars** :

(1) Investing in advanced technologies and financing innovation : through a range of regulatory initiatives and support to research and innovation :

- to develop a proposal on the European Green Vehicles Initiative (as a follow-up to The European Green Cars Initiative which is one of the three Public Private Partnerships (PPP) 2009-2013) under Horizon 2020;
- to continue **working with the EIB in order to ensure that financing** for automotive research and innovation projects is available;
- to establish a set of measures aiming to lower **CO2 emissions, pollutants and noise emissions**;
- to continue to implement **road safety** work in line with the focus areas and objectives of its Policy Orientations 2011-2020 and further promote the deployment of **Intelligent Transport Systems (ITS);**
- to adopt, as part of the Clean Power for Transport package, a legislative proposal on **alternative fuel infrastructure**, concerning the deployment of a minimum refuelling/recharging infrastructure and common standards for certain fuels, including **electric vehicles**.

(2) Improving market conditions : through :

- **strengthening the internal market** : (i) setting up a dialogue between stakeholders, encouraging them to work towards common principles on **vertical agreements on the distribution of new vehicles**; (ii) putting forward **guidelines for financial incentives** for clean and energyefficient vehicles put in place by Member States in order to promote stronger coordination of these measures ;
- a comprehensive and consistent application of principles of **smart regulation**, will be ensured, integrating an indepth assessment of the impacts on industry, society and other stakeholders, notably the associated costs and benefits ;
- adopting a proposal to **enhance the type-approval framework** to include provisions for market surveillance in areas where a need has been identified.

(3) Enhancing competitiveness on global markets : through :

- **an effective trade policy** : take full account of the importance of maintaining a strong and competitive automotive manufacturing base in Europe when conducting its trade policy, using both multilateral and bilateral tools. Both should be used to tackle the key issues of removing tariff and non-tariff barriers ;

- **the international harmonisation of vehicle regulations** : the 1958 UNECE Agreement should be modernised to accommodate the needs of emerging economies and to the extent that it enables the **mutual recognition of international whole vehicle type approvals** (IWVTA) starting with the category of passenger cars.

(4) Anticipating adaptation and managing restructuring : while on the one hand, the automotive industry faces the problem of availability of a qualified workforce, on the other hand there is a need to deal with the social consequences of restructuring, when job losses are unavoidable. The Commission will:

- encourage the use of **European Social Fund (ESF)** for workers' retraining and re-skilling;
- continue to monitor/**review restructuring activities** as regards to their strict compliance with EU legislation, in particular concerning state aid and internal market rules ;
- identify good practice and promote an **anticipative approach in restructuring** in consultation with representatives of the automotive-intensive regions, employment authorities and the sector's stakeholders, including the social partners.

The Commission proposes to set up in 2013 **a high-level process called CARS 2020**, in order to monitor the implementation of the CARS 21 recommendations, as well as the measures set out in this Action Plan.

CARS 2020: towards a strong, competitive and sustainable European car industry

2013/2062(INI) - 15/11/2013 - Committee report tabled for plenary, single reading

The Committee on Industry, Research and Energy adopted the own-initiative report by Franck PROUST (EPP, FR) on CARS 2020: towards a strong, competitive and sustainable European car industry.

Members endorsed the Commission’s new strategy of launching a new European industrial policy, in particular for a **sustainable automotive industry**. However, they expected the Commission to coordinate its own efforts more efficiently, in order to ensure that the CARS 2020 recommendations actually become operational and are monitored by the High Level Group.

The Commission was called upon to:

- submit a study showing the mismatch between what it wishes to achieve and the tools available to it, as the basis for a debate within the Council and Parliament;
- develop **cross-cutting roadmaps** that cover development in the energy sector, the transport sector and the ICT sector;
- take into consideration the **entire automotive sector**, in particular subcontractors, retailers and aftermarket firms, in all future policy-making processes involving the sector.

Member States, for their part, were asked to carry out properly coordinated and **structural reforms** geared to enhancing competitiveness, such as support for research and innovation, competence building, staff retraining, lowering indirect costs, enhancing labour flexibility based on social dialogue, cutting red tape and shortening payment periods.

Automotive industry and production in the EU: Members regretted that the Commission failed to analyse the **fundamental causes of the decline** affecting the sector, such as the widely varying circumstances in the industry and the large number of structural changes. They considered that, alongside Europe-wide cross-cutting action, measures specifically tailored to individual circumstances need to be taken at both national and European level in order to stimulate demand.

Deploring the fact that the Commission failed to address the issue of **over-capacity**, despite the fact that it is a problem shared by the whole of the industry, the report called ton the Commission to submit at the earliest opportunity: (i) a study on the scale of over-capacity in Europe and the best practice in addressing this problem; (ii) an action plan setting out all the policy tools available in this area; (iii) proposals for more active and coordinated support for workers and companies.

As regards restructuring, Members called on the Commission and Member States to develop **conversion plans** in a coordinated fashion so as to support regions facing swingeing job losses in the automotive sector. They called for integrated use to be made of all European-level instruments (EIB, ESF and ERDF) and national instruments so as to assist the workers affected and redirect them towards alternative employment in related sectors, e. g. alternative energy.

Human resources: bearing in mind that the labour market is out of step with the industry's requirements, Members considered it essential to **adapt not just public training strategies**, but also firms' training strategies, in order to anticipate tomorrow’s needs and to enable firms to attract and hold on to highly qualified workers. They called on Member States to make the legislative adjustments required for more open and constructive social dialogue.

Innovation and technology: Members stressed the need to encourage research and development focusing on **low-carbon and sustainable technologies** , including electric and hybrid vehicles, alternative fuels, mobile energy storage. They wanted such technologies to be brought onto the market.

Members believed that EU efforts should be based on a **differentiation strategy relying on a number of priorities** geared towards consolidating Europe’s technological advantage, including:

- technological convergence, in particular as regards standards for the stages upstream of production and distribution;
- the development of eco-innovations (vehicles that are lighter, more efficient, less polluting), safety (eCall) and accessibility (uses for drivers with a disability);
- cooperation at EU and international level in areas that have been under-exploited to date, such as power-train technology;
- strengthening Europe's leadership in international standard setting;
- infrastructure roll-out for electric cars and alternative fuels.

Regulation: the report stressed the need to: (i) launch an ex-post assessment on adopted legislation and on the lack or bad implementation of adopted legislation; (ii) reinforce current EU legislation on statutory guarantees; (iii) harmonise technical regulations across the EU in order to guard against any artificial distortions of competition; (iv) step up cooperation within the single market through European standardisation, certification, unification and disposal, and also through voluntary market segmentation.

Member States were asked harmonise **the use of the financial resources** available to stimulate investment in sustainable mobility over and above public subsidies, by means of tax incentives for SMEs.

Internal market: Members pointed out that a robust internal market was a precondition for a return to competitiveness and sustainability in the automotive industry. They considered **closer European approximation essential in areas in which the prevailing conditions militate against a level playing field:**

- vis-à-vis non-EU competitors: high prices for energy and raw materials, strong euro exchange rate;
- on the internal market: social and fiscal competition, tax breaks for firms and incentives for buyers (low-carbon incentives, vehicle scrappage schemes);
- in the EU internal market: conditions relating to the recyclability of vehicles and the ecological recycling of used cars;

Lastly, regarding **external markets**, Members pointed out that many of our automotive firms are becoming less competitive as a result of growing competition – some of it unfair – from non-EU firms. The Commission was urged to **reorganise its trade policy**, so as to be able to: (i) coordinate Member State measures for promoting EU firms and protecting EU products, investment and intellectual property rights outside the EU; (ii) gradually make the principle of reciprocity a central tenet of trade relations; (iii) push for the dismantling of non-tariff barriers in the automotive sector.

CARS 2020: towards a strong, competitive and sustainable European car industry

2013/2062(INI) - 10/12/2013 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on CARS 2020: towards a strong, competitive and sustainable European car industry.

Members endorsed the Commission's new strategy of launching a new European industrial policy, in particular for a **sustainable automotive industry**. However, they expected the Commission to **coordinate its own efforts more efficiently**, in order to ensure that the CARS 2020 recommendations actually become operational and are monitored by the High Level Group.

The Commission was called upon to:

- draw up a **clear schedule** of fast-track measures and to use its right of initiative, notably by drawing up guidelines, in order to coordinate and build on action by Member States and firms, focusing on economic and employment growth and market recovery;
- take into consideration the entire automotive sector, in particular subcontractors, retailers and aftermarket firms, in all future policy-making processes involving the sector.

Member States, for their part, were asked to carry out properly coordinated and **structural reforms** geared to enhancing competitiveness, such as (i) support for research and innovation, (ii) competence building, (iii) staff retraining, (iv) lowering indirect costs, (v) enhancing labour flexibility based on social dialogue, and (vi) cutting red tape and shortening payment periods.

Automotive industry and production in the EU: Members regretted that the Commission failed to analyse the **fundamental causes of the decline** affecting the sector, such as the widely varying circumstances in the industry and the large number of structural changes. They considered that, alongside Europe-wide cross-cutting action, measures specifically tailored to individual circumstances need to be taken at both national and European level in order to stimulate demand.

Deploring the fact that the Commission failed to address the issue of **over-capacity**, despite the fact that it is a problem shared by the whole of the industry, Parliament called ton the Commission to submit at the earliest opportunity: (i) a study on the scale of over-capacity in Europe and the best practice in addressing this problem; (ii) an action plan setting out all the policy tools available in this area; (iii) proposals for more active and coordinated support for workers and companies.

As regards restructuring, Members called on the Commission and Member States to develop **conversion plans** in a coordinated fashion so as to support regions facing swingeing job losses in the automotive sector. They called for integrated use to be made of all European-level instruments (EIB, ESF and ERDF) and national instruments so as to assist the workers affected and redirect them towards alternative employment in related sectors, e. g. alternative energy.

Human resources: bearing in mind that the labour market is out of step with the industry's requirements, Members considered it essential to adapt not just **public training strategies**, but also firms' training strategies, in order to anticipate tomorrow's needs and to enable firms to attract and hold on to highly qualified workers. They called on Member States to make the legislative adjustments required for more open and constructive social dialogue.

Innovation and technology: Members stressed the need to encourage research and development focusing on **low-carbon and sustainable technologies** . They wanted such technologies to be brought onto the market.

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- strengthening Europe's leadership in international standard setting;
- infrastructure roll-out for electric cars and alternative fuels.

Regulation: Parliament stressed the need to: (i) reinforce current EU legislation on statutory guarantees; (ii) harmonise technical regulations across the EU in order to guard against any artificial distortions of competition; (iii) step up cooperation within the single market through European standardisation, certification, unification and disposal, and also through voluntary market segmentation.

Financial resources: the resolution recommended bolstering the use of the financial resources available to stimulate investment in sustainable mobility over and above public subsidies, by means of **tax incentives for SMEs** (tax credits for research, CO2 emissions tax-and-rebate schemes,) and both private funding instruments (risk capital funds,) and public funding instruments (European Investment Bank). Members called for a **conditionality clause** to be introduced, under which automotive firms in receipt of investment support for a given site would be required to keep their operations at that site until the end of the depreciation period and to refund the EU subsidies should they decide to relocate.

Internal market: Members pointed out that a robust internal market was a precondition for a return to competitiveness and sustainability in the automotive industry. They considered closer European **approximation essential in areas in which the prevailing conditions militate against a level playing field:**

- vis-à-vis non-EU competitors: high prices for energy and raw materials, strong euro exchange rate;
- on the internal market: social and fiscal competition, tax breaks for firms and incentives for buyers (low-carbon incentives, vehicle scrappage schemes);
- in the EU internal market: conditions relating to the recyclability of vehicles and the ecological recycling of used cars;

External markets: Parliament pointed out that many of our automotive firms are becoming less competitive as a result of growing competition – some of it unfair – from non-EU firms. The Commission was urged to reorganise its trade policy, so as to be able to:

- coordinate Member State measures for promoting EU firms and protecting EU products, investment and intellectual property rights outside the EU;
- centralise all EU export instruments;
- gradually make the principle of reciprocity a central tenet of trade relations;
- push for the dismantling of non-tariff barriers in the automotive sector.
- shorten the time taken to instigate investigations and apply trade defence instruments;

Parliament asked the Commission to extend its ex ante impact assessments on future trade agreements to the notion of competitiveness in the automobile sector.