



EU car industry: Commission announces initiatives to boost competitiveness

In a joint press conference Günter Verheugen, Vice-President of the Commission, and Bernd Pischetsrieder, President of ACEA (European Automobile Manufacturers Association) and CEO of Volkswagen, launched a new initiative to boost the competitiveness of the European car industry. A high level group called "CARS 21" will be set up. The group's objective is to generate recommendations to improve the worldwide competitiveness of the European automotive industry. Commissioner Verheugen also announced his intention to make life easier for the industry by the simplification of the car type approval in the EU through the increasing application of United Nations rules.

Günter Verheugen, Commission Vice-President said: "I am convinced that the EU can compete if we offer better quality, better technology and better services. Lean, clean and safe – this is the way forward . I would like CARS 21 to develop concrete, brave and innovative ideas and recommendations on how we can win pole-position in the global car race."

Bernd Pischetsrieder, President of ACEA added: "The European automotive industry wants to be a strong partner of a strong Europe. I appreciate the common efforts to enhance Europe as an efficient, stable, competitive and profitable home market for our industry ensuring the full and rapid completion of the Internal Market. I would like to thank Vice-President Verheugen for his leadership in setting up CARS 21."

"CARS 21"

Under the chairmanship of Vice-President Verheugen a high level group is being set up for a "Competitive Automotive Regulatory System for the 21st Century – CARS 21".

The group will consist of prominent representatives of the EU car sector, Member States, the European Parliament, Trade Unions, NGO's, users and the Commission. It will in particular be invited to:

- develop an integrated strategy for a sustainable development of the industry;
- define the best possible regulatory approaches; and
- set out the necessary conditions to ensure that innovation efforts give the European industry a first mover advantage.

The first meeting of the group is scheduled for March 2005. Two further meetings are envisaged in 2005, with a view for the group to deliver its recommendations before the end of 2005. The Commission will then follow this up with proposals for concrete actions for a competitive automotive industry at the beginning of 2006.

The EU automotive industry is facing a number of challenges:

- The EU automotive industry lags behind the US and Japan in terms of productivity. Labour productivity in the EU-15 is 25% lower than in the US and 30% lower than in Japan.
- Labour costs per hour worked in the EU-15 are comparable to those in the US, but more than 10% above those in Japan and almost three times as high as in Korea.
- There are major technological challenges ahead, most prominently the fuel cell. Competition and innovation will be key determinants for the viability and strength of Europe's automobile industry.

The European Competitiveness Report 2004, published in November 2004, provides an in-depth analysis of the automotive sector with regard to its competitiveness, challenges and future strategies. It can be found under:

http://europa.eu.int/comm/enterprise/enterprise_policy/competitiveness/index.htm#ecr2004

MEMBERSHIP

Commission

▪ Günter Verheugen Chairman	Vice-President of the Commission, Commissioner for Enterprise and Industry
▪ Jacques Barrot	Vice-President of the Commission, Commissioner for Transport
▪ Stavros Dimas	Commissioner for Environment

Member States

▪ Margaret Beckett	Secretary of State for Environment, Food and Rural Affairs, United Kingdom
▪ Wolfgang Clement	Federal Minister for Economy and Employment, Germany
▪ Patrick Devedjian	Minister-delegate for Industry, France
▪ Martin Jahn	Deputy Prime Minister, Czech Republic
▪ Pietro Lunardi	Minister for Infrastructure and Transport, Italy

European Parliament

▪ Garrelt Duin	Member of the European Parliament (PSE/DE), Joint Chairman Forum for the Automobile and Society
▪ Malcolm Harbour	Member of the European Parliament (EPP/UK), Joint Chairman Forum for the Automobile and Society

Industry

▪ Armand Batteux	President of the European Association of Automotive Suppliers
▪ Wilhelm Bonse-Geuking	President of the European Petroleum Industry Association
▪ Lewis Booth	Chairman and CEO Ford of Europe
▪ Leif Johansson	President of AB Volvo and Chief Executive Officer Volvo Group
▪ Sergio Marchionne	Chief Executive Officer Fiat S.p.A.
▪ Bernd Pischetsrieder	President of the European Automobile Manufacturers Association
▪ Louis Schweitzer	Chairman and Chief Executive Officer Renault SA

Trade Unions, NGOs and Users

▪ David Baldock	Director of the Institute for European Environmental Policy
▪ Tony Janssen	President of the European Metalworker's Federation
▪ Max Mosley	President of the Fédération Internationale de l'Automobile