

V4 automotive industry's appeal to Members States and EU institutions representatives concerning relaunch of industry hit by the COVID-19 crisis

The automotive industry in Europe has been hit hard by the current COVID-19 crisis. As a result, around 1,1 mil. workers in the EU automotive manufacturing were affected by factory shutdowns and by April EU-wide production losses amount to approx. 2 mil. motor vehicles. Production, development, testing or homologation work had to be halted since mid-March and in most cases has not been relaunched yet.

The automotive industry in the EU represents 7% of the EU's GDP and employs directly and indirectly 13,8 mil. persons. In the V4 countries alone automotive value chains directly employ 650 000 people and more than 1,3 mil. in total, including indirect jobs. It also represents nearly one fifth of EU total vehicle production.

*Considering the importance of the automotive industry for the EU and V4 economies, major steps for relaunch of production and the market as well as revitalising the sector are needed. Due to the nature of the Europe-wide supply chains and also strong dependence on functional Internal market, **coordinated action at the EU level is required**, complementing and coordinating the steps taken at the level of individual member states and regions.*

*In particular, **actions in the following areas are identified as key:***

EU-wide coordinated restart of the Internal market is required as soon as possible

- **Swift re-establishment of transport lines for goods and persons, especially workers (employees, including cross-border commuters, managers and experts) across the EU member states' borders as well as into/out of the EU** are vital to ensure operation of supply chains and production of final products;
- While the health of the EU citizens remains undisputable priority, the EU should continue its efforts towards an effective and coordinated exit strategy from national market-restrictive measures in order to **resume functioning of the Internal market and economic life across the EU.**

Financial support through EU and national budgets to boost the economy must be maintained and further developed for the foreseen future

- **Measures already taken to ensure liquidity and maintain employment in the EU should continue** during the coming months;
- As vehicle production halted and car markets fell dramatically, **specific activities to restart the demand for vehicles need to be rolled out in all segments, especially for low and zero emission vehicles. Fleet renewal schemes** in member states should be coordinated and designed in a way that does not merely shift emissions across the EU or into the third countries. This could help secure EU efforts to mitigate impact on the climate and environment;
- **Investment in R&D and latest technologies as well as building of the alternative fuels infrastructure** need to continue to be supported by enhanced EU effort, in particular towards the smart and clean mobility;
- Considering the delay in adopting the next MFF as well as need to conclude delayed projects under current programmes, an **effective solution to overcome the transition period** between

the two programming periods should be introduced. Furthermore, the **next MFF should contain a robust stimulus package.**

Analysis of impacts of the current crisis on the ability of the industry to comply with the EU regulatory requirements needs to be carried out and postponement of relevant effects, where necessary, need to be implemented

- Development, testing and homologation activities, needed by industry to comply with the regulatory requirements, have been effectively halted due to the COVID-19 crisis. Also, implementing regulations are not being adopted in time sufficient for sector to adjust. **Therefore, it is necessary to review and amend the timing of the relevant regulation requirements** (see the list of regulation to be reviewed in annex);
- The **most pressing examples** include:
 - **end-of-series** sales for different regulations have end dates in 2020 – deadlines need to be extended by at least 6 months;
 - new **type approval regulation** (2018/858) becoming effective as from 1st September 2020 – a 12 months postponement of new provisions is necessary;
 - compliance with new requirements of **Euro 6/VI standards for cars, vans and HDVs, including buses** is becoming mandatory as from 1st January 2021 – a 12 months postponement of the application dates is essential;
 - **CO₂ emissions of new vehicles** (baseline used for 2025 and 2030 reduction targets) may be affected by disruptions of production and vehicle registrations – therefore evaluation and respective corrective actions that take into account this unusual market development need to take place.
- In order to mitigate unnecessary future economic burdens, similar **review is required for upcoming regulatory acts and obligations.** These need to reflect on consequences of the current crisis and their implications on the EU industry and markets.

In V4 capitals on 24th of April 2020



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