JOINT PRESS RELEASE

COVID-19: Automotive sector calls for vehicle renewal incentives to kickstart economic recovery

Europe's four auto sector associations publish 25-point action plan for successful restart

Brussels, 5 May 2020 – COVID-19 is having a major impact on the economy, with retail and manufacturing activity crippled without precedence and concerns mounting on consumer sentiment. The European automotive sector, which has been hit particularly badly, proposes a plan comprised of 25 key actions to ensure a strong restart of the sector and the economy at large.

Targeting decision makers at EU and national level, the action plan lists tangible recommendations to successfully exit from the corona crisis. It is issued by the four associations representing the full automotive supply chain: from equipment and tyre suppliers, to vehicle manufacturers, to dealers and workshops (ACEA, CECRA, CLEPA and ETRMA). Together, they want to contribute to a policy response to C-19 that ensures public health, minimises the impact on the economy and maintains focus on the overarching objectives of our time: the digital and carbon-neutral society.

As part of the action plan, the sector calls for coordinated vehicle renewal schemes for all vehicle types and categories across the EU. This will boost private and business demand, support economic recovery across the board as well as accelerate the rejuvenation of the vehicle fleet on Europe's roads. Purchase and investment incentives should be based on similar criteria across Europe, drawing on both national and EU funding. Such schemes should be enhanced by scrapping premiums, and should take into account society's climate ambitions and resource-efficiency objectives in concert with the economic impact.

Eric-Mark Huitema, Director General of ACEA, the automobile manufacturers' association stated: "It is now crucial to bring the entire automotive value chain back into motion. We need a coordinated relaunch of industrial and retail activity, with maintained liquidity for businesses. Targeted measures will need to be taken to trigger demand and investment. Demand stimulus will boost the utilisation of our manufacturing capacity, safeguarding jobs and investments."

Bernard Lycke, Director General of CECRA, the association of automotive dealers and workshops says: "To relaunch mobility and economic activity, it will be essential that vehicle dealerships and motor vehicle workshops reopen as soon as possible in the countries where they are still closed. Targeted purchase incentives and scrappage schemes for all categories of vehicles will, in addition to spurring the recovery, make a positive contribution towards carbon neutrality and road safety."

Sigrid de Vries, Secretary General of CLEPA, the association of the automotive suppliers' industry in Europe says: "Restarting the automotive sector will act as an engine of overall economic recovery because of the significant employment impact and immediate knock-on effect on other sectors. Investment in people and R&D remains key as well. Europe needs a strong automotive ecosystem to stay competitive and push ahead with ambitious environmental, digital and road safety targets."

Fazilet Cinaralp, Secretary General of ETRMA, the European Tyre & Rubber Manufacturers Association: "The automotive sector is committed to emerging from this crisis stronger than before. A successful restart requires a supportive regulatory framework that protects public health, minimises the impact on the economy and ensures a transition to a circular, carbon-neutral economy. In close collaboration with the European Commission, we want to contribute to a policy response that brings about a successful COVID-19 recovery."

***

Notes for editors

About the sector

- 13.8 million Europeans work in automotive, accounting for 6.1% of all EU jobs.
- 11.4% of EU manufacturing jobs – some 3.5 million – are in the automotive sector.
- Motor vehicle taxation brings in €440.4 billion for governments in major European markets
- The automobile industry generates a trade surplus of €84.4 billion for the EU.
- The turnover generated by the automotive industry represents over 7% of EU GDP.
- Investing €57.4 billion in R&D annually, the automotive sector is Europe's largest private contributor to innovation, accounting for 28% of total EU spending.
- The EU motor vehicle fleet is getting older year-on-year. Passenger cars are now on average 11.1 years old, vans 11 years and heavy commercial vehicles 12 years.

About the signatories

ACEA, the European Automobile Manufacturers' Association, represents the 16 major Europe-based car, van, truck and bus manufacturers: BMW Group, CNH Industrial, DAF Trucks, Daimler, Ferrari, Fiat Chrysler Automobiles, Ford of Europe, Honda Motor Europe, Hyundai Motor Europe, Jaguar Land Rover, PSA Group, Renault Group, Toyota Motor Europe, Volkswagen Group, Volvo Cars, and Volvo Group.
Contact: Cara McLaughlin, +32 485 886 647, cm@acea.be, www.acea.eu

CECRA is the European federation bringing together national professional associations which represent the interest of motor trade and repair businesses and European Dealer Councils. CECRA represents on a European scale 336.720 motor trade and repair businesses. Together they employ 2.9 million people.
Contact: Bernard Lycke, director general, +32 475 932 693, bernard.lycke@cecra.eu, www.cecra.eu

CLEPA, the European Association of Automotive Suppliers, represents over 3.000 companies supplying state-of-the-art components and innovative technology for safe, smart and sustainable mobility, investing over 25 billion euros yearly in research and development. Automotive suppliers in Europe directly and indirectly employ nearly five million people across the continent.

Contact: Clara Guillén, communications manager +32 491 719 249, communications@clepa.be, www.clepa.eu

ETRMA, the European Tyre & Rubber Manufacturers Association represent nearly 4.400 companies in the EU, directly employing about 370.000 people. The global sales of ETRMA's corporate members represent 70% of total global sales, have a strong manufacturing and research presence within the EU and candidate countries, with 93 tyre-producing plants and 17 R&D centres.

Contact: Fazilet Cinaralp, Secretary General, +32 475 34 83 71, f.cinaralp@etrma.org, www.etrma.org