

T&E Statement to the Gear 2030 High Level Group

January 2016

T&E welcomes the opportunity to participate in the GEAR 2030 initiative that we consider better focused and more democratic than predecessor groups.

The future of the automotive sector is important not only for the EU economy but also the environment and health of citizens over half a million of whom die prematurely annual as a result of air pollution in the EU. A shift to sustainable mobility along with a successful EU automotive sector must be twin goals of the GEAR 2030 initiatives.

Firstly, GEAR 2030 must recognise the benefits of smart environmental and safety regulations. Vehicle manufacturers focus primarily on their cost. But they ignore the evidence that smart regulation also drives innovation and therefore their competitiveness. Smart regulation creates jobs for research engineers, a revenue for suppliers, a new market opportunity for a clean tech SME; a lower fuel bill, or longer life, for drivers and other road users.

Environmental regulations can also reduce business risks and create a level playing field for competition. For example; circular economy initiatives can lower the challenges of sourcing raw materials. Had the EU adopted robust NOx regulations for diesel cars VW would not have cheat in the US and in the process destroy half its shareholder value. We need effective implementation of regulations as well as strong paper rules.

Secondly, in the 21st century vehicles will become increasingly electrified and connected and BOTH of these trends must be part of the GEAR 2030 work programme. The omission of an electrification working group is therefore a serious gap in the planned activities and must be addressed. The European automotive industry must become a leader in developing, building and operating connected, electric vehicles but is behind its competitors. GEAR 2030 is the right forum for integrating EU electro mobility and industrial policies to address this weakness.

The EU must not allow our current specialism in diesel to lock-in the EU to this solution. Whilst one in 2 new cars sold in the EU is a diesel – it is 1 in 20 in the rest of the world. The EU diesel car market has been created by policy biases that must be ended; and Europe cannot remain a diesel island in a world of mainly gasoline and increasingly hybrid electrified vehicles. If it does it can look to the ruins of car manufacturing in Detroit as its future rather than the gleaming mega-factories of Nevada. GEAR 2030 must look at the opportunities afforded by electrification and risks of diesel lock in.

Finally, we must ensure our efforts to boost trade develop practical solutions based upon robust evidence - not the frequently heard rhetoric. TTIP has shown mutual recognition of standards is unrealistic without common testing frameworks and protocols. The EU's discredited regulation of cars will in any case not be trusted by trade partners until wholesale changes are implemented. Instead of bilateral arrangements the EU must look to the multinational processes of preparing Global Technical Regulations at the UNECE and GEAR 2030 should develop specific proposals to strengthen these processes.

GEAR 2030 should ensure the EU integrates its industrial and mobility policies in a way that delivers jobs and wealth along with a healthier, lower carbon and safer society. If we focus on the huge opportunities

instead of fearing and resisting change T&E believes the outcomes of GEAR 2030 will help plot path to more vibrant EU automotive industry and sustainable mobility.