

Mixed market outlook in 2011; call for unified policy approach to ensure technology leadership in Europe

Brussels, 2 February 2011-- The automotive market situation is expected to remain mixed in 2011, with strong demand in the so-called BRIC countries while the economic situation in Europe is likely to keep dampening new passenger car sales in this region. Commercial vehicle sales in Europe may record a relatively strong growth, however against the backdrop of the low market levels of the recent crisis.

This outlook on 2011 was given by ACEA President Dieter Zetsche (Daimler) as part of his speech in Brussels this evening at the annual reception of the auto industry's trade association. The other keynote speaker was Commissioner for Climate Action Connie Hedegaard.

Zetsche reflected on the situation in the more mature automotive markets such as the EU, as well as the prospected surge in vehicle demand in developing economies. Zetsche summarised the challenges for the European auto industry in two key questions: "First, how do we fulfil the growing demand for automobiles sustainably? Second, how do we make sure that Europe is a key player in doing so?" The answers, he said, are in the main ACEA priorities for this year: "Win on free trade; keep cutting emissions; and put "CARS 21" in the fast lane."

Zetsche: "Trade is high on ACEA's priority list for 2011, because for the sake of our industry and the European economy, we have to make sure this is a two-way street." He, furthermore, underlined that the global competitiveness of automobiles is more and more determined by their efficiency. "The European auto industry already invests more than 30 billion Euros in R&D per year – more than any other industry in the EU. And that investment is paying off: Several European manufacturers have already put advanced technologies in customers' hands -- ranging from plug-in hybrids to battery-electric- and fuel-cell vehicles."

Zetsche called for a unified policy approach to support and ensure future e-mobility leadership here in Europe. "We cannot get complacent. We have to push the development and introduction of new technologies – because that's exactly what our counterparts in China, the U.S. and elsewhere are already doing. However, the R&D behind their progress is also the beneficiary of strong government support. In Europe, we cannot just stand and watch others pass us by."

A key task remains to define an industrial policy for the automotive sector that strengthens manufacturing in Europe. "We welcome the progress made since the re-launch of CARS 21", said Zetsche. "The Working Groups are set up, the goals are defined, and the plan is in place. So, it's time to get the job done." Targets alone are not enough, added Zetsche. "The "C" in CARS 21 stands for "competitive". A reasonable framework is equally important. It is about smarter regulation principles that fit the reality of the market."

About ACEA

The European automotive industry is key to the strength and competitiveness of Europe. The ACEA members are BMW Group, DAF Trucks, Daimler, FIAT S.p.A., Ford of Europe, General Motors Europe, Jaguar Land Rover, MAN Truck & Bus, Porsche, PSA Peugeot Citroën, Renault Group, Scania, Toyota Motor Europe, Volkswagen Group, Volvo Car Corporation, Volvo Group. They provide direct employment to more than 2.3 million people and indirectly support another 10 million jobs. Annually, ACEA members invest over €26 billion in R&D, or 5% of turnover.