ACEA

European
Automobile
Manufacturers
Association

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Press Release

Tough CO2 legislation must be matched by support for the automotive industry

The European automotive industry will continue to contribute to the ambitious European energy and climate change strategy and is ready to meet the CO2 legislation for passenger cars, endorsed by the European Parliament today. In light of the current financial and economic crises, the auto manufacturers reiterate their urgent call on EU governments and institutions to support short and long-term automotive development and manufacturing in the EU, ensuring a vibrant, innovative industry in the heart of Europe.

"If the Council follows the Parliament's vote, as they are expected to do, Europe has adopted an extremely tough piece of legislation", said Christian Streiff, President of ACEA and CEO of PSA Peugeot Citroën. "This legislation forms part of the ambitious European energy and climate change package. We are committed to do what we can to deliver, despite the sudden, dramatic economic downturn that severely limits our resources. We ask for governments to support the strategic auto sector in these extraordinary circumstances."

The CO2 legislation gives the automobile industry some essential flexibility to adjust its development and production cycles to the legal requirements and to limit the financial risks caused by largely unpredictable factors including consumer preferences, market trends, economic developments and legal requirements in different fields. "However, and despite the modifications to the original legislative proposal, the penalty of € 95 per excess gramme of CO2 remains extremely high compared to the price of CO2 in other sectors", added Streiff.

The legislation requires the industry to continue to invest heavily in R&D and new product programmes in order to reach the short-term targets. Furthermore, the long-term CO2 target set by the EU will require technological breakthroughs, new refueling infrastructure and a swift renewal of the car fleet on Europe's roads.

The current economic situation hampers the European automobile industry's ability to allocate the required resources. Apart from funds for R&D, the sector needs a functioning financial market and a range of market incentives to restore consumer demand. "The industry reiterates its call for € 40 billion in low-interest loans", said Ivan Hodac, Secretary General of ACEA. "The allocation of € 16 billion by the European Investment Bank to the transport sector, plus the stimulus package proposed by the Commission and the various measures taken by national governments are welcome steps. But given the capital- and engineering- intensive nature of our industry and the significant new regulatory challenges facing us, more will be required."

The European automotive industry is key to the strength and competitiveness of Europe. The ACEA members are BMW Group, DAF Trucks, Daimler, FIAT, Ford of Europe, General Motors Europe, Jaguar Land Rover, MAN Nutzfahrzeuge, Porsche, PSA Peugeot Citroën, Renault, Scania, Toyota Motor Europe, Volkswagen and Volvo. They provide direct employment to more than 2.3 million people and indirectly support another 10 million jobs. Annually, ACEA members invest € 20 billion in R&D, or 4% of turnover.

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