

## **Briefing Paper: CARS21 Mid-Term Review Conference**

### **29 October 2008**

The CARS21 Mid-Term review conference took place in Brussels on 29<sup>th</sup> October. The conference concluded the European Commission's CARS21 mid-term review launched in the summer to assess progress and developments in each individual policy area covered by the original CARS21 exercise and to identify possible scenarios for the future of European policy action.

#### **Background**

- CARS21 (Competitive Automotive Regulatory System for the 21st Century) was launched in 2005 and championed by the European Commission to strengthen the automotive industry. The CARS21 High Level Group consisted of representatives of national governments, the European Commission, the European Parliament, the automotive industry, environmentalists, trade unions, suppliers, consumers and the oil industry.
- The original CARS21 taskforce concluded with the adoption of the CARS21 High Level Group Final report, which contained 18 recommendations aimed at increasing the worldwide competitiveness of the EU automotive industry. The European Council followed up on the Commission's communication by adopting a set of conclusions on industrial policy and the automotive sector while the European Parliament reacted by issuing a report on CARS21.

#### **CARS21 Mid-Term Review - Key Recommendations**

1. **CARS21 Stakeholder Group** – The European Commission should consider converting CARS21 into a wider stakeholder co-ordination forum. It should involve a broader range of relevant stakeholders responsible for policy development and implementation.
2. **Better Regulation** – The High Level Group recognised the need to provide long term regulatory clarity to the automotive industry whilst at the same time accurately quantifying the costs and benefits of legislative activity. Long term targets should be subject to impact assessment closer to the application date of the legislation.
3. **Cumulative effect of legislation** – The preparatory process of future legislative proposals should systematically place the individual pieces of legislation into the context of the overall cumulative effect of automotive regulation. Before new legislation is put forward, the relationship between manufacturers' costs, the effect on retail prices and the ability of consumers to pay for additional costs should be considered.
4. **Harmonisation and simplification** – International harmonisation and regulatory simplification should continue, particularly the work to ensure international uptake of European standards. To facilitate this, the European Commission with relevant stakeholders should draw up a plan for UNECE activities in 2009.
5. **Internal Market** – The key recommendation is that, whenever possible, legislation which has a direct impact on the technical specifications of vehicles should be based on Article 95. A type approval framework for new technology vehicles should be developed at EU level and a global standard in this area should be pursued.
6. **Taxation and financial incentives** – Member states should, as much as possible, coordinate vehicle taxation policies to avoid market fragmentation. Furthermore, the Commission should update its guidance paper on fiscal incentives for motor vehicles, promote technology-neutral

- financial incentives to encourage market introduction of new and cleaner technology.
7. **CO<sub>2</sub> and fuel efficiency** – The medium term legislative framework for reducing CO<sub>2</sub> emissions from road transport should come into force, on the basis of an integrated approach, in the 2020 timeframe with relevant proposals made at the latest by 2014. The integrated approach should be based on clear, quantifiable and measurable actions. It should also be investigated how the contribution to the integrated approach by measures such as eco-driving and infrastructure improvements could be quantified.
  8. **Measuring real life emissions** – The current New European Drive Cycle should be revised to improve its correlation to modern real world driving conditions, to provide consumers with a better perception of real life fuel economy and to ensure that the maximum number of possible “eco-innovations” can be covered under the testing procedure. This revision should be used as a basis to set setting, measuring and monitoring new generation fuel efficiency targets for 2020.
  9. **The future of Mobility** – Internal combustion engine will remain the primary power-train looking up to 2020. Hybrid technology, biofuels, CNG and LPG will also play an important role. Battery and hydrogen powered vehicles currently represent the most likely medium-long term options. Rigorous, independent research and full stakeholder involvement should be sought when developing any future technology scenario.
  10. **Road safety** – Applying an integrated approach based on vehicle technology, driver behaviour and infrastructure is considered to be the most effective method for improving safety on European roads. A series of new, post-2010 objectives for road safety should be agreed at the European level.
  11. **International Trade** – Increased trade liberalisation is essential for the global competitiveness of the industry.
  12. **Research and Development** – Energy, the environment and safety should continue to be the key focus of automotive R&D activities. The efforts to reduce R&D administrative costs should continue.
  13. **Intellectual property** – An effectively-functioning Community patent should be agreed on and adopted as soon as possible.
  14. **Block Exemption Regulation** – Any future decision regarding the BER should be based on the better regulation principles and on legal certainty and effective competition.
  15. **Access to vehicle repair information** – Considerable progress has been made on this issue and continued importance should be attached to technical information access for independent and multi-brand aftermarket operators.

To view the full report

[http://ec.europa.eu/enterprise/automotive/pagesbackground/competitiveness/cars21\\_mtr\\_report.pdf](http://ec.europa.eu/enterprise/automotive/pagesbackground/competitiveness/cars21_mtr_report.pdf)

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