

FOR A RESILIENT AUTOMOTIVE AFTERMARKET ENSURING SUSTAINABLE EUROPEAN MOBILITY

12 measures for the recovery and post-COVID-19 period

EXECUTIVE SUMMARY

Europe's automotive servicing and mobility value chain accounts for over **4,3 million jobs** in the wider 'automobile use', the overwhelming majority of them being employed in over **500.000 SMEs** such as parts producers, manufacturers of lubricants, authorised and independent repairers, body repairers, manufacturers of garage and test equipment, independent data publishers, independent distributors of automotive parts and components, road rescue patrols and periodic roadworthiness testing stations, serving private, corporate or public use of more than **300 million vehicles on the EU's roads**. This ecosystem ensures Europe's mobility and makes it safer, cleaner and more affordable and accessible for all.

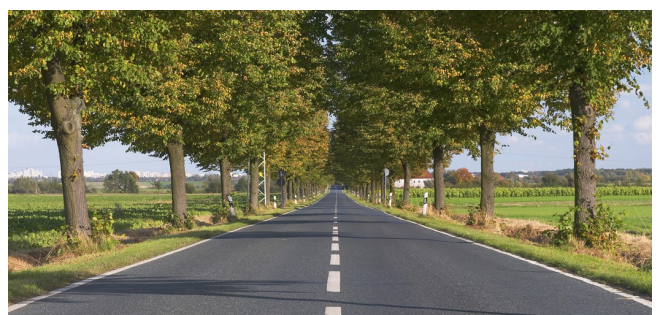
This essential sector has been hit hard by the COVID-19 crisis and its economic and social consequences. The future of companies and of jobs is at risk. In order to promote the interests of the automotive aftermarket and assist the European Union's institutions in identifying the right measures on the recovery path, the signatories representing different sectors of the automotive/mobility value chain have prepared a set of **12 detailed recommendations**. The underlying proposals do not look only at measures and incentives which could address, in the short term, the imminent effects of the crisis and kickstart the economy, but in the medium- to long-term to build lasting and prosperous recovery making the entire sector stronger and more resilient to future unexpected events. We believe these recommendations are well compatible with the efforts of the European Commission that looks more prominently on means to make European economy more sustainable and digitised, reinforcing particularly the sectors that are vital for the society at large, such as mobility.

SMEs in the centre of the European Commission focus

In line with the plans and priorities of the Commission President Ursula Von Der Leyen and Internal Market Commissioner Thierry Breton, as a matter of priority the EU should ensure that support measures of both financial and non-financial nature are reaching in particular SMEs, the backbone of the European economy. The data we collected from our respective memberships confirm these companies are most vulnerable and among those hardest hit by current crisis. Targeted measures with adequate information and support from the public sector, but without undue administrative hurdles would help address the problem of liquidity and mobilise resources for investments in the mid- to long-term. The proposed set of instruments in the 'Next Generation EU' is going in that direction, but all measures should to be put in place more speedily and reach sectors vital for the recovery and society. Chosen measures should also follow the set trajectory of supporting particularly companies that want to reduce their environmental footprint and are socially responsible investing in training and the labour force that is becoming more and more scarce in the automotive value chain.

Contribute to a cleaner environment in post-COVID

The measures should be in line with the EU-wide objectives and contribute to a healthy-functioning single market. In line with the intention of the Commission to promote the deployment of clean vehicles, the signatories propose specific measures to stimulate the demand side and to reduce emissions also in the post-COVID period, particularly in view of the increased use of passenger cars for health & safety reasons. The proposal to promote 'eco-checks' of the vehicles (further description in the document) as well as adaption of the periodic roadworthiness inspections to identify gross polluters (80% of the pollution emitted by 20% of vehicles) and reduce tampering of the vehicles would thus serve wider goals.



Speeding up efforts on digitalisation agenda

To make the economy, and concretely the entire automotive sector value chain, more sustainable and resilient, the EU should speed up its efforts on digitalisation and data strategy. In line with the goals of the digital single market, we call on the Commission to put in place an adequate governing framework for the access and use of data generated by vehicles. This would allow developing new innovative services benefitting consumers and safeguarding competitive markets (automotive and wider mobility) as the utmost priority for the post-COVID period. Concrete use cases show the determination and potential on the side of the signatories of this communication, which are however limited by current data access models pursued by vehicle manufacturers. Timely action is thus essential to make the transformation of the automotive aftermarket value chain a success story for Europe.

Making the automotive value chain more circular

We also welcome the Commission's intention to look at more long-term measures with long-lasting effects. Amongst the measures that our organisations looked more prominently is the Circular Economy concept and concrete means to implement the '5Rs' in our respective sectors (Responsible sourcing/behaviour, Repair, Reuse, Remanufacturing and Recycling). We offer all our means and capacity to discuss how to make this a reality, so that also our sector can benefit from some of the new 700.000 jobs, expected to be created by the circular economy approach. It would make the entire automotive aftermarket sector more resilient, greener and less dependent on external suppliers. Concrete support to remanufacturing, up-scaled funds, public procurement and wider support of the public sector are amongst measure that we propose.



The full set of our recommendations, as detailed in the position paper:

12 measures for the recovery and post-COVID-19 period

- 1. Addressing liquidity of SMEs** to fight imminent crisis effects and enable necessary investments in the future
- 2. Targeted measures to those in need** reaching companies vital for EU recovery and economy
- 3. Specific funding opportunities for responsible investments and qualified workforce** in the European automotive aftermarket
- 4. Free movement of labour** to be ensured and coordinated on the EU level
- 5. Free movement of goods** for a functioning Single Market in the EU
- 6. Safe working places for employees in Europe** to support economic recovery and growth
- 7. Encourage people to get their vehicles 'eco-checked'** to stimulate demand and contribute to the EU's environmental objectives
- 8. Contribute to ensuring a cleaner environment - eliminate 'gross polluters' during PTI**
- 9. Digitalisation: Swift adoption of EU legislation on access to in-vehicle data and resources needed**
- 10. Promote the circular economy and move towards a more sustainable & circular automotive services sector**
- 11. Maintain and modernise the Motor Vehicle Block Exemption Regulation** to ensure that the whole aftermarket remains competitive
- 12. Organise a European Automobile Value Chain Summit** to ensure dialogue on the future automotive value chain with all stakeholders