

## **CARS 21 HIGH LEVEL GROUP**

**on the Competitiveness and Sustainable Growth of the Automotive Industry in the EU**

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### **- TERMS OF REFERENCE -**

#### **CONTEXT**

The CARS 21 High Level Group was originally launched in 2005 and played a major role in defining European policy and legislation on the automotive sector in view of strengthening the industry's competitiveness. Its re-launch was one of the actions listed in the Communication on "A European strategy on clean and energy efficient vehicles"<sup>1</sup>, adopted by the Commission on 28 April 2010. Since then, both Parliament and Council have reacted favourably to the Communication in general and to the re-launch of CARS 21 in particular. The group is formally established by Commission Decision of 14 October 2010<sup>2</sup>.

#### **RATIONALE**

The continuous evolution of the global automotive industry has recently accelerated its pace. In the coming decade, important changes are expected in several areas that are likely to profoundly reshape the industry and its markets worldwide. Within the next 10 years, sizeable efforts will need to be made with the further development of alternatives for fossil-based motor fuels. Moreover, while the European market is relatively mature, automotive markets outside the OECD countries have grown very strongly in recent years and this development will continue, underlining the major economic importance of these markets for the sector. To meet long term greenhouse gas reduction and air quality objectives, the internal combustion engine are further improved and new and cleaner vehicle technologies, such as electric and hybrid propulsion, are being introduced. They can be expected to make significant inroads into the global vehicle market by 2020. This will require the industrial structure, transport systems and infrastructure to be transformed to adapt to new market situations and technologies.

The future performance of European industry, and its impact on the economy, jobs and society, will depend on the choices that European businesses, consumers and public authorities will make, faced with the changing environment. For that reason, an intensive dialogue, joint analysis and precise understanding of key issues, among decision makers in the private as well as the public sector, is paramount and the underlying objective for the re-launch of the CARS 21 High Level Group. The Group should give impetus to future directions of policy making in order to create a sustainable foundation for the European vehicle industry and for the use of vehicles in our society.

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<sup>1</sup> COM(2010)186 final, 28.04.2010

<sup>2</sup> OJ C 280, 16.10.2010, pp. 32-34

## **MISSION STATEMENT**

In the framework of the Europe 2020 strategy<sup>3</sup> and notably its flagships on resource efficiency and industrial policy<sup>4</sup>, and on the basis of the above-mentioned EU strategy for clean and energy efficient vehicles, the group shall develop a realistic vision for "**a competitive EU automotive industry and sustainable mobility and growth in 2020 and beyond**".

Based on this vision, the group shall sketch out the recommended actions and policies to realise the vision, taking into account the likely changes in technologies and framework conditions.

A particular focus will be to support and advise the Commission in the development of an effective European industrial policy for the automotive sector and the implementation of the EU's strategy for clean and energy efficient vehicles. The HLG group shall develop proposals to further the most effective **development and take up** of clean and energy efficient vehicles in Europe and beyond, covering both supply and demand measures. The group shall identify main barriers for the development and uptake of clean and energy efficient vehicles and propose ways to overcome them.

## **WORKING METHOD**

- The group shall bring together the most relevant interest groups and experts necessary for carrying out its mission.
- The group shall analyse different key policy areas, investigate several policy actions and aim to build consensus amongst stakeholders around the necessary present and future policies in the automotive sector.
- The group shall take into account the outputs of other Commission expert groups, according to the topics discussed.
- The group shall adapt its working methods in order to ensure that it contributes in those areas where it adds most value. The group can for instance decide that other working groups than those outlined below should be set up.

## **DELIVERABLES**

The group is expected to deliver a **Final Report** that will present the vision for a 2020 and beyond perspective. This would *inter alia* include assessments of the appropriate types of products, technologies, industrial structure, business models, energy types and refuelling infrastructure, role in global markets and international benchmarks. Moreover, the report will propose a list of policy recommendations for consideration at the EU and international level, national or regional level, by authorities, private sector or civil society organisations.

The recommendations shall refer to relevant policies in the following fields: the internal market, smart regulation, climate change and environmental protection, transport and mobility, road safety, competitiveness, research and innovation, standardisation and other regulatory issues, trade, skills, energy and other infrastructures, possibly consumer initiatives, public procurement, car taxation and other economic incentives as outlined in the clean and energy efficient vehicles strategy and develop such initiatives further.

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<sup>3</sup> COM(2010) 2020

<sup>4</sup> COM(2010) 614

The group will also have the possibility to adopt and issue statements, progress reports or any other intermediate publications that are deemed necessary. The publication of an Interim Report with recommendations on priority issues in summer 2011 will be aimed for.

### **COMPOSITION OF THE HIGH-LEVEL GROUP**

The Communication mentions specifically that the group needs "extended stakeholder involvement to in particular address the barriers to market uptake of alternative technologies". The nature of these technologies goes beyond the automotive sector and policy, as elements such as infrastructure and energy supply form an important part of the puzzle.

The following stakeholders are participating in the group:

- Several Member States
- European Parliament
- Committee of the Regions and Economic and Social Committee
- Trade Unions
- Non-Governmental Organisations in the field of environment and road safety
- Distribution and aftermarket sector
- Consumers/Users/Car buyers
- Manufacturers of different types of vehicles (cars, trucks, buses, two-wheelers)
- Suppliers of vehicle components and energy suppliers

The Commissioners responsible for relevant policy areas will attend the meetings of the group.

### **OPERATIONAL STRUCTURE**

The CARS 21 process will be composed of a **three-level structure**:

- **the High Level Group** (Ministers, CEOs and Presidents of associations, etc.) lending political visibility and authority
- **the “Sherpa” group** responsible for preparing the input to the HLG and for steering the working groups.
- **the Working groups**, responsible for more technical aspects according to specific topics.

The high level group will appoint a group of sherpas to carry out more operational work. The exact mandate and composition of working groups would need to be adopted by the Sherpa group. The working groups will report to the Sherpa group, which would be responsible for consolidating the workstreams and preparing the input for the high-level group. Working groups will be set-up to address the following themes:

- Innovation, infrastructure energy supply and use
- Trade and international harmonisation
- Industrial, social and territorial aspects of competitiveness
- Internal market, emissions and CO<sub>2</sub> policies

The participants in the Working Group meetings are either representatives from organisations present in the High Level Group or additional participants following specific issues and/or representing specific expertise (participating on a permanent or an ad-hoc basis), nominated by the Sherpa Group or the Commission.

The Commission services<sup>5</sup> will provide the **secretarial support**. The policy content will be prepared by the relevant Commission services.

**INDICATIVE TIMETABLE**

- Informal and preparatory Sherpa meeting: 19 October 2010
- Official launch of CARS 21 High Level Group meeting: 10 November 2010
- Sherpa meeting : December 2010
- WG meetings: starting as of January 2011, in between 3 and 6 meetings in 2011
- Two High Level Group meetings (mid and end 2011) and four Sherpa meetings in 2011
- Two Sherpa meetings for finalisation in 2012
- Final High Level Group meeting and adoption of report in spring 2012

The Commission can extend the duration of the group beyond the initial period of 2 years, if this is considered appropriate.

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