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Dear Secretary General,

The Commission would like to thank the Italian Senate for its opinion on the Commission Communication "Responding to the crisis in the European automotive industry" (COM/2009/0104 final).

The Commission welcomes the analysis by, and the favourable opinion of, the Italian Senate for this initiative. The Commission fully shares the views expressed by the Italian Senate with regard to this Communication, particularly what concerns differentiation between short-term and long-term measures, paying particular attention to the mitigation of the social costs of restructuring, ensuring a common framework for national scrapping schemes and continued investment into research and innovation. The Commission is happy to note that its strategy received substantial support from Member States during the deliberations of the Competitiveness Council of 5-6 March 2009.

The Commission wishes to shed some light on the following points:

a) With regard to making a clear distinction between short-term measures and long-term measures, the Commission shares the view of the Italian Senate. The Commission believes that scrapping schemes represent a short-term approach while financing innovation and modernisation should be undertaken with a clear longer-term perspective. Furthermore, the Commission considers it important that a strategic coherence exists between short-term crisis mitigation and longer-term competitiveness and that the two types of approaches should complement one another;

b) With regard to cushioning the social effects of the crisis, the Commission also considers this area to be a priority as outlined in its Communication. The Commission's Communication clearly placed Community instruments (e.g. European Social Fund, Globalisation Adjustment Fund) at the disposal of Member States to address automotive restructuring and continues to encourage Member States to utilise these instruments;

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c) With regard to the co-ordination of national scrapping schemes, the Commission's Communication contains clear guidelines for Member States on how to proceed. Furthermore, in 2009 the Commission has organised a guidance seminar for Member States on the application of scrapping schemes;

d) Finally, with regard to investment into innovation and clean technologies, the Commission Communication put forward a series of actions relating primarily to the European Investment Bank (EIB) and the 7<sup>th</sup> Framework Programme. As a result, an unprecedented level of financial support for innovation has been made available, particularly by the European Investment Bank.

In conclusion, the Commission notes the broad consensus with regard to the strategy adopted for the crisis in the automotive sector and looks forward to continued co-operation with the Member States and their Parliaments.

Yours sincerely,

Margot WALLSTRÖM  
Vice-President of the European Commission