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NOTE

From:	Presidency
To:	Council
Subject:	Forum dedicated to auto industry (Craiova, Romania, 18 March 2019) *Information from the Presidency*

Delegations will find attached a note from the Presidency to the Council on the Forum dedicated to auto industry with a view to the meeting of the Competitiveness Council on 27 May 2019.

ANNEX

Presidency Information note on the

Automotive Industry Forum in Craiova, Romania, 18 March 2019

In the context of Romania's Presidency of the Council of the European Union, the Romanian Ministry of Economy organized in Craiova, on 18 March 2019, the ***Automotive Industry Forum***, a high-level event that benefited of the presence of the Romanian Prime Minister Viorica Dăncilă, of the Romanian Deputy Prime Minister Grațiela Gavrilescu and of Commissioner Elżbieta Bieńkowska, responsible for the Internal Market, Industry, Entrepreneurship and SMEs.

The Roadmap towards Clean Vehicles[1], adopted by the European Commission and addressed to the Member States, was launched on the occasion of the Automotive Industry Forum with a call to industry to implement concrete long-term actions to enable automated and connected driving and zero emission cars. In this context, the Commission highlighted the important role of the three recently launched initiatives, namely ”Europe on the Move”, ”The Clean Mobility Package” and ”the third Mobility Package” and the legislative proposals they contain. The Roadmap also highlights six actions to be addressed by Commission, industry and Member States, respectively 1. ensuring a dieselgate-free future, 2. ensuring a cleaner fleet, 3. delivering the dieselgate related recalls, 4. ensuring consistent implementation and enforcement of recalls, 5. ensuring the transparency of recall actions, and 6. informing consumers (vehicle-owners).

The objective of the ***Automotive Industry Forum*** was to provide the framework for discussing actions already taken and which need to be further taken by the automotive industry towards automated and connected vehicles and regarding the implementation of the recommendations in the *High Level Group GEAR 2030 report on automotive competitiveness and sustainability*.

The debates were structured in 3 parallel panels as follows: “Clean vehicles of the future”, ”The path to automated and connected vehicles” and ”Global Competitiveness: How can Europe stay competitive?”

[1] https://ec.europa.eu/docsroom/documents/34503

The debates addressed issues of immediate strategic interest such as sustainable mobility, stimulating R & D and innovation, the need for implementation and enforcement of the rules regarding environmental performance of cars to prevent harm to consumers and the environment, the need for investment in continuous training of the workforce, providing support through state aid schemes and encouraging the purchase of new, non-polluting cars.

Emphasis was placed on value chains development at European, national and regional level and on electrification, connectivity, artificial intelligence and digitization of the entire production chain to contribute to the productivity of the future of the automotive industry in the context of the Industry 4.0 concept.

In addition, the debates focused on developing the charging infrastructure for electric cars, streamlining transport systems by developing hybrid and electric trains on hydrogen, limiting the use of polluting cars in the centre of cities, and installing renewable energy heating systems, all these being measures which play an important role in the process of decarbonization.

The discussion highlighted the particular interest of the stakeholders in the development and production of electric batteries for the automotive industry and the development of charging infrastructure for electric vehicles through public-private partnerships.

Issues related to autonomous driving were addressed as well. The most important aspect deriving from the debates refers to the importance of safety which must be a key issue when autonomous vehicles are designed and developed for the coming years. Autonomous driving should increase driver comfort, reduce greenhouse gas emissions by improving traffic flow and reducing fuel consumption, and should also increase mobility for all categories of people and reduce car crash fatalities. At the same time, it was mentioned that having autonomous vehicles in traffic will generate a series of challenges such as the perception and acceptance by the public and the competent authorities, and the regulation and general functioning of the autonomous system. Moreover, in order for autonomous vehicles to be considered a mature technology, a transition period is required, based on standards and reliable solutions at European and global level. To this end, collaboration between public and private bodies is required and standard testing conditions for autonomous vehicles should be put in place.

The participants discussed on ethical aspects which need to be considered in the field of autonomous vehicles based on objectivity, reliability, safety, confidentiality / security, transparency and accountability.

At the same time, the participants underlined that the transition to electric vehicles could have a negative impact on the aging of the current fleet with an adverse environmental impact and may increase the regulatory burden on industry and imply a difficult access to critical raw materials.

It was highlighted that the European automotive industry needs to maintain and strengthen its competitive advantage, continue to focus on development and innovation, retain knowledge within the continent, achieve the transition to automation and Industry 4.0 by maintaining quality and product diversification and improving productivity, in order to increase turnover and direct jobs.

To reach a low level of emissions it is necessary to reduce the purchases of used cars and provide appropriate support for the purchase of low emissions vehicles.

The eCall system was presented and the advantages brought in by EGNOS and Galileo in the automotive industry for any type of vehicle sold since 2018. The estimations are that by the end of 2019 more than 3 million vehicles with the eCall function will be sold in the EU and in 2025 all vehicles sold will have the eCall system integrated. The perspective is that, starting with 2019, certain series of vehicles will be featured with communication devices of small range based on wi-fi and starting with 2020 the 5G technology will enlarge considerably the communication system and will offer better and more complex services.

It was also highlighted that the services provided by the European Global Navigation Satellite System (GNSS) based on information provided by satellites are extremely complex and that GNSS already offers economic and environmental benefits for heavy duty vehicles in certain members states. Still, the current systems do not have the necessary performance and friability to ensure a solution for the autonomous vehicle. The GNSS will contribute to a substantial reduction of the price for the autonomous vehicle and will become a basic technology as concerns safety and encrypted authentication.

In addition, the panellists pointed out that the EU wishes to maintain the current concept of type approval for connected and automated vehicles having in view that the European type approval legal framework was revised in 2018 and the new technologies for automated vehicles can be type-approved based on these new provisions. In addition, the new General Safety Regulation of Motor vehicles file, which was concluded recently by the Romanian Presidency, will cover certain aspects that are not covered by the existing legislation, and enable the European Commission to adopt relevant implementing and delegated acts.

Based on the debates and the valuable inputs from all participants, it was concluded that the European automotive industry is making important steps towards zero emissions, electric and autonomous vehicles, and that competitiveness is not an option, but an objective that can be achieved by means of improving production systems, providing the appropriate legal framework, standardization and enhancing skills. Innovation, research, digital transformation, automation, and artificial intelligence contribute directly to the competitiveness of the automotive industry. A predictable and stable legal framework is needed in order to allow industry to adapt to its requirements.

Members of the European Parliament, of the Romanian Parliament, representatives of ACEA, of ACAROM, of the Romanian Automotive Register, of the European Global Navigation Satellite System Agency and industry representatives took part and delivered their opinions at the ***Automotive Industry Forum in Craiova.***