



## BRIEFING

Origin: DG TRADE

- Subject: Briefing for Commissioner Malmström
- Event: ACEA Annual General Assembly and High-Level Luncheon
- Date: 13:00 – 14:30, 1 June 2017
- Place: Cercle de Lorraine (Rue aux Laines 23, 1000 Brussels)

Ref: Ares(2020)273419 - 16/01/2020

Pages 5-6, 8-9 and 16-17 have been entirely removed as out of scope  
Pages 11-13 have been entirely redacted according to Art 4.1(b)

### SCENE SETTER

The European Automobile Manufacturers' Association (ACEA) will hold its Annual General Assembly meeting in Brussels on 1 June 2017 and invited you to participate in a high-level luncheon and to deliver a keynote speech of approximately 10 minutes. Your intervention will follow the introductory remarks of ACEA

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The lunch will also be attended by the 15 CEOs of ACEA's member companies, the Presidents of all national automotive industry associations of Europe, key officials from the European institutions and senior diplomatic representatives.

Out of scope

ACEA is the leading advocate for the automobile industry in Europe, representing 15 Europe-based car, van, truck and bus manufacturers: BMW Group, DAF Trucks, Daimler, Fiat Chrysler Automobiles, Ford of Europe, Hyundai Motor Europe, Iveco, Jaguar Land Rover, Opel Group, PSA Group, Renault Group, Toyota Motor Europe, Volkswagen Group, Volvo Cars, and Volvo Group.

While passenger car registrations in the EU have been on a steady rise in the last three years, the domestic sales figures are yet to recover to their pre-crisis levels, further increasing the importance of international trade to fill the capacities of the industry's European plants. International trade is indeed a key area of interest to ACEA as its members are global companies generating a staggering sectoral trade surplus for the EU, amounting to EUR 100.4 billion in 2015. The organisation is very active on trade policy matters and closely follows the EU's various FTA negotiations as well market access issues around the world.

Out of scope

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ACEA

unequivocally supports an ambitious

FTA with Mercosur.

Out of scope

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Based on discussions with ACEA in preparation for this event and the usual issues of interest for ACEA, we have put together a number of **key messages and defensives** on the following topics:

1. EU-US relations;
2. EU-Japan FTA;
3. Brexit
4. EU-Mercosur FTA
5. Enhanced Market Access Partnership

In addition, we have collected **defensives** on the below points ACEA members might also raise:

6. CETA
7. China (New Energy Vehicle legislation and Investment Agreement)
8. EU-India FTA
9. EU-Korea FTA implementation

In addition, please find attached three annexes including (1) information on ACEA's leadership

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as well as the list of the CEOs of all ACEA members), (2) a factsheet with relevant figures of the automobile industry and (3) a list of resolved and outstanding barriers in the sector that ACEA has raised in our Market Access Partnership.

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#### 4. EU-Mercosur FTA

ACEA is strongly and unequivocally supportive of the EU-Mercosur process, as its members stand to make some of the largest gains. ACEA will shortly be sending a letter setting out their position. In a recent meeting with Chief negotiator Sandra Gallina, ACEA and CLEPA noted their support for reciprocal tariff dismantlement in the vehicles and parts sector.

They also call for a TBT annex on vehicles and parts in line with what has been negotiated in other FTAs, notably covering alignment with the UNECE process and the Agreements of 1958 and 1998. The annex was proposed by the EU at the March 2017 round and is available on the Commission's public website.




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In the Mercosur offer of May 2016, Mercosur lived up to its pledge to provide 90% trade coverage of the vehicles and parts sectors. A few important products remain subject to negotiations, but most are covered by the offer. The offer is backloaded with most liberalisation in this sector occurring over staging periods that exceed ten years. This is likely tactical and to be addressed in the course of the negotiations. There will be an intersessional held in Buenos Aires at the end of May and another round in Brussels in early July. The two sides have committed to reaching a political agreement by the end of 2017.

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#### **4. EU-Mercosur FTA**

*"What are the key areas of difficulties in these negotiations?"*

- The current Mercosur governments see it as an important opportunity to modernise their economies and attract investment in the long-term. Mercosur have demonstrated their strong commitment and ability to engage constructively across all chapters, including those that were difficult in the past. It is however a negotiation in which both sides have their difficulties. For the EU side, the main difficulty is in agriculture.

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### Contact persons:

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DG TRADE G3 ☎ (overall coordination and Market Access Strategy);  
DG TRADE E1 ☎ (EU-US relations);  
DG TRADE C1 ☎ (EU-Japan FTA);  
, DG TRADE G1 ☎ (Brexit);  
, TRADE C3 ☎ (EU-Mercosur FTA);  
DG TRADE F3 ☎ (TTIP regulatory issues and China NEV);  
, DG TRADE E1 ☎ (CETA);  
, DG TRADE C2 ☎ (EU-India FTA);  
, DG TRADE G3 ☎ (EU-Korea FTA implementation).

## Annex II: Automobile Industry Factsheet

### 1. General figures

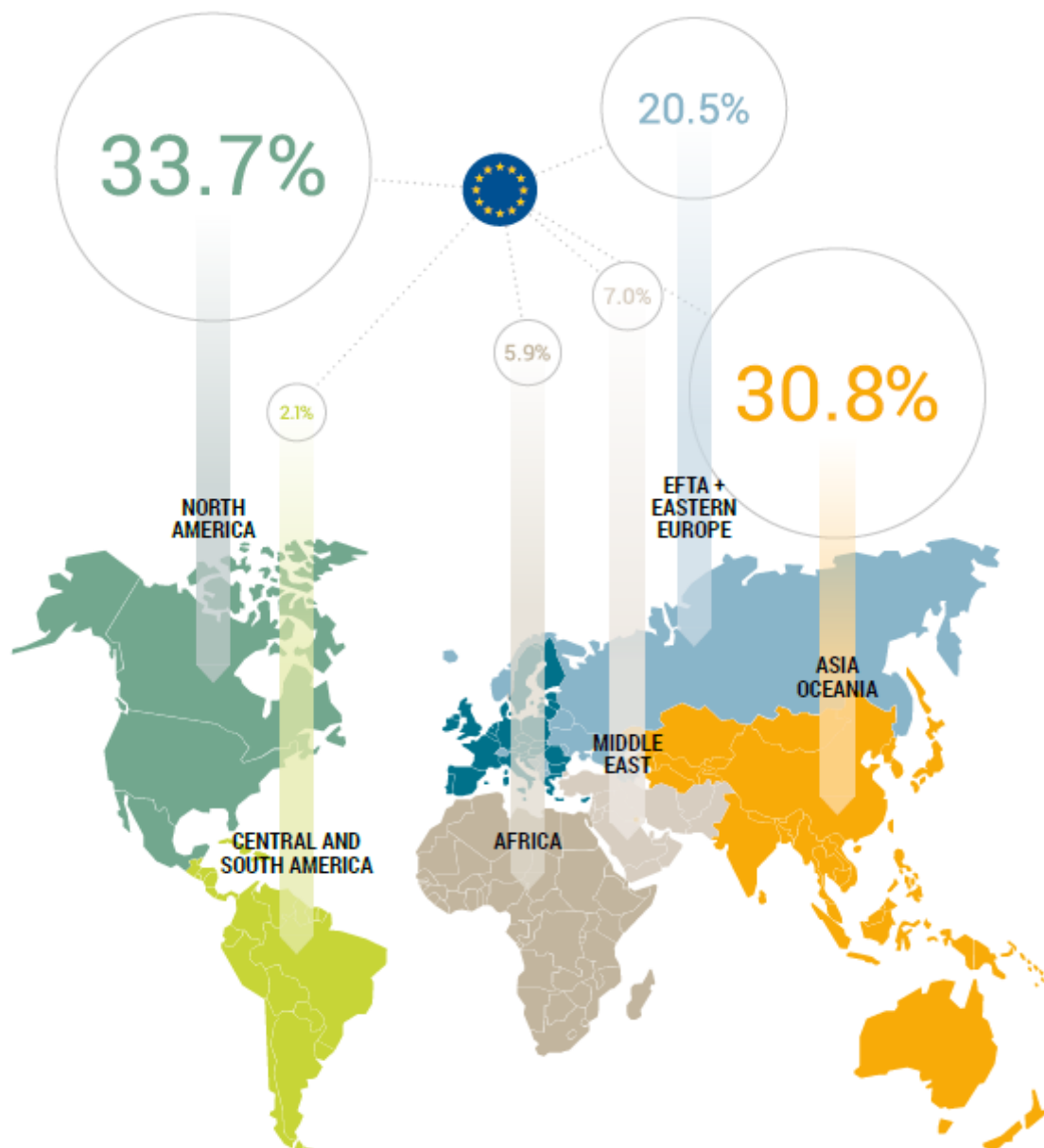
#### Key figures

EMPLOYMENT		
Manufacture of motor vehicles (EU28)	2.3 million people = 7.7% of EU employment in manufacturing	2013
Total (EU28 manufacturing, services and construction)	12.2 million people = 5.6% of total EU employment	2013
PRODUCTION		
Motor vehicles (world)	91.5 million units	2015
Motor vehicles (EU28)	18.4 million units = 20% of global motor vehicle production	2015
Passenger cars (world)	73.5 million units	2015
Passenger cars (EU28)	16.0 million units = 22% of global passenger car production	2015
REGISTRATIONS		
Motor vehicles (world)	90.8 million units	2015
Motor vehicles (EU27)	15.8 million units = 17% of global motor vehicle registrations/sales	2015
Passenger cars (world)	73.2 million units	2015
Passenger cars (EU27)	13.7 million units = 19% of global passenger car registrations/sales	2015
Diesel (EU28)	51.6%	2015
Alternative fuels (EU28)	3.0%	2015
VEHICLES IN USE		
Motor vehicles (EU28)	291.1 million units	2014
Passenger cars (EU28)	252.7 million units	2014
Motorisation rate (EU28)	574 units per 1,000 inhabitants	2014
Average age (EU28)	9.7 years	2015
TRADE		
Exports (extra-EU28)	€139.4 billion	2015
Imports (extra-EU28)	€39.1 billion	2015
Trade balance	€100.4 billion	2015
ENVIRONMENT		
Average CO <sub>2</sub> emissions (EU28)	119.6g CO <sub>2</sub> /km	2015
INNOVATION		
Automobiles & parts sector	€44.7 billion	2014
TAXATION		
Fiscal income from motor vehicles (EU15)	€401.5 billion	2015

## 2. Trade figures

EU exports of motor vehicles

VALUE MARKET SHARE / 2015



SOURCE: EUROSTAT

WWW.ACEA.BE

**The EU exported 6.2 million vehicles in 2015**

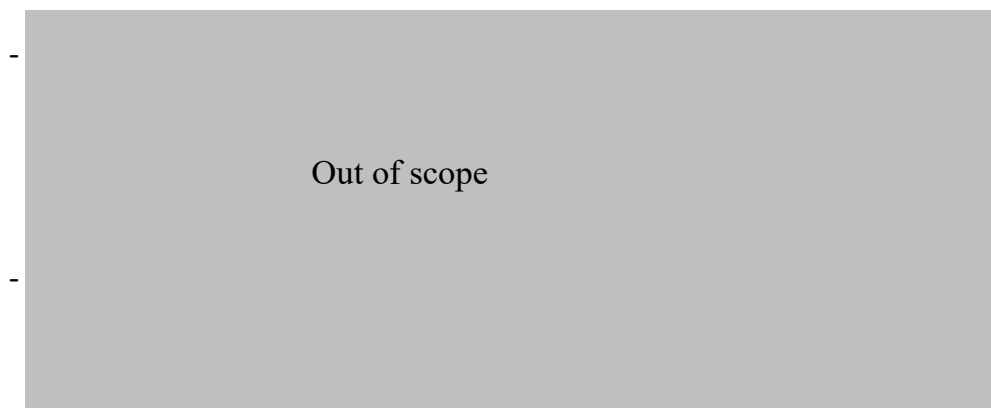


### **Annex III**

## **List of resolved and outstanding automotive market access barriers in the framework of the Market Access Partnership**

### **1. Recently resolved automotive market access barriers**

- Argentina:
  - DJAI import restrictions
  - Luxury car tax
  - National certification requirements for motor vehicles
- Ecuador:
  - Quotas for motor vehicles
  - Balance of Payment restrictions (to be phased out this year)
  - MIPRO resolution accepting EU automotive regulations and certificates as equivalent with domestic regulations



## 2. Outstanding automotive market access barriers

Out of scope

- Argentina:
  - Auto Parts Law
- Brazil:
  - Inovar Auto WTO case