

## **Common interest in a Dedicated Recovery Plan for the Automotive Sector in the European Union**

We, the Ministers of Bulgaria, the Czech Republic, Hungary, Italy, Latvia, Malta, Poland, Portugal, Romania, the Slovak Republic, Slovenia and Spain, express our common interest in introducing a Dedicated Recovery Plan for the Automotive Sector in the European Union.

The automotive sector is one of the core and strategic activities in our economy, due to its weight and value added to the European manufacturing activity. It represents 7% of EU GDP, 6% of total EU employment and it accounts for more than 12% of the European exports. The automotive industry generates a trade surplus of 84.4 billion EUR for the EU. Investing 57.4 billion EUR in R&D annually, the automotive sector is Europe's largest private contributor to innovation, accounting for 28% of total EU spending. It also has a significant multiplier effect on the rest of the sectors of the economy, and employs more than 10% of the total labour force in several EU countries.

The automotive industry is one of the sectors where production has stopped almost completely for at least 2 months due to the impact of the COVID-19 pandemic, and its entire value chain has been affected. At the same time, vehicle markets, i.e. consumer demand, fell dramatically. This has caused significant losses to all the car-manufacturing groups and the industries connected with them, as well as massive temporary employment regulations.

This scenario is even more dramatic if we take into account that the crisis has come at a time when the sector was making significant economic investments, leading primarily towards the transition to a new, more sustainable mobility model, in line with the EU strategy to become climate-neutral by 2050.

The EU Member States affected are looking at ways of reinstating the levels of production and market demand as soon as possible. We therefore share the will that the so-called Recovery Plan of **the European Union should urgently include a Dedicated Plan for the Automotive Sector** with strong support, in

line with the importance of this industry for the European economy and the relevant role it can play as a major driver of economic recovery.

Sufficient time must be assured for the automotive industry in order to achieve full recovery of the activity and compensate all the delays in the value chain caused by the scale-down of production and closure of plants of automobile manufacturers and suppliers.

We believe that this Plan should be based on a thorough assessment of the post-COVID situation in the sector with a significant financial allocation in order to ensure, not only the recovery to pre-crisis levels but also a further sustainable growth of the sector and its role as a driver for the other sectors of our economy.

Finally, this Plan should focus on the recovery of the activity of the entire value chain, in a way compatible with the environmental and digital transformation objectives of the European Union, promoting research and innovation to accelerate the transition to a new sustainable mobility model. Specific activities to restart the demand for vehicles need to be rolled out, especially for low and zero emission vehicles.

In this way, not only would the enormous negative impact of the stalling of production be limited, therefore jobs and investment capacity safeguarded, but it would also be an opportunity for the EU automotive industry to sustain its leadership in the highly competitive international context.

*Mr. Emil Karanikolov - Minister of Economy – Bulgaria*

*Mr. Karel Havlíček - Deputy Prime Minister, Minister of Industry and Trade and Minister of Transport – Czech Republic*

*Mr. László György PhD, Minister of State for Economic Strategy and Regulation (Ministry for Innovation and Technology) – Hungary*

*Mr. László Mosóczi - Minister of State for Transport – Hungary*

*Mr. Stefano Patuanelli - Minister of Economic Development – Italy*

*Mr. Jānis Vitenbergs - Minister of Economics – Latvia*

*Mr. Silvio Schembri - Minister for the Economy, Investment and Small Businesses – Malta*

*Mrs. Jadwiga Emilewicz – Deputy Prime Minister, Minister of Economic Development – Poland*

*Mr. Pedro Siza Vieira - Minister of State, Economy and Digital Transition – Portugal*

*Mr. Virgil-Daniel Popescu - Minister of Economy, Energy and Business environment – Romania*

*Ing. Richard Sulík - Deputy Prime Minister and Minister of Economy – Slovak Republic*

*Mr. Zdravko Počivalšek - Minister of Economic Development and Technology – Slovenia*

*Ms. Reyes Maroto Illera - Minister of Industry, Trade and Tourism – Spain*