



## **For a renewed European automotive industry policy, *with the private small and mid-sized industries in the supply chain***

**Position of the German, Italian, French, Austrian and Czech Board Members of European Entrepreneurs CEA-PME on the**

**Joint paper promoted by Italy and other EU member states**

***“For a Renewed European Automotive Policy: Balancing Competitiveness and Climate Ambition”***

presented at the Competitiveness Council of EU Member States’ Ministers responsible for the Single Market and Industry on Nov, 28<sup>th</sup> 2024 in Brussels

The private small and mid-sized industries in the automotive supply chain in Europe is already feeling the heavy impact of an industrial transition that does not work as it was planned. In 2024 the sales of electric vehicles in Europe, battery driven, plug-in hybrids or hybrids, is significantly declining, major car producers have reduced their production because of full stocks, and the order books of suppliers for pieces needed for both the combustion and electric motors are more and more empty. Uncertainty reigns also among consumers, and much more even among tens of thousands of companies and hundreds of thousands of workers in the supply chain of this industry.

Therefore, we the signatories, representing member associations in the Executive Board of European Entrepreneurs CEA-PME with SME and Mid-Caps in many industrial sectors, among which also in the automotive industry’s supply chain, welcome the Joint Paper proposed by the Italian government and endorsed by many other European member states, in order to give an impulse for a renewed European Automotive Policy, to be discussed on Nov. 28<sup>th</sup> during the Competitiveness Council in Brussels of EU Member States’ Ministers for Industry and the European Single Market.

We want to add to the above-mentioned paper that the automotive supply chain companies are especially asking:

**1. Bold and fast interventions to reducing bureaucracy – *not only reporting burden* – are paramount and strongly necessary for Europe’s enterprises:** priority should be given to rethink the process of proving the companies’ efforts towards a sustainable production, where SME and Mid-Caps strongly depend on national, regional and local conditions for energy production, rules and regulations, waste recycling, water protection, construction rules, etc., that they can’t really change or influence. Therefore, any kind of reports or documentation should by default take the local framework conditions for companies into account. Also, authorisation procedures for new services and investments, and certification of new products must be simplified and based on the principle that preliminary and temporary approvals should facilitate market introduction or the uptake of investments.



**2. Public Support for innovation, the transformation of business models and staff re-skilling in the automotive supply chain:** thanks to access to transformation expertise (economic, technological and organisational), more space and incentives for innovation produced by SME and Mid-Caps (also if not immediately linked to *sustainability goals*), better access to finance (also if not immediately “*sustainable finance*”) and targeted funds and vouchers for the re-skilling of SME and Mid-Caps staff where needed (also if not immediately “*green or digital skills*”).

**3. More access to international markets:** Europe’s car makers must be helped to better access international markets thanks to more Free Trade Agreements with e.g. South America, India, Australia, etc. This would allow for a transition period also to capitalise on Europe’s know-how and competitiveness, and prevent from relying too much on Europe as main market. Trade barriers, tariffs, import or export limitations should be only limited to goods linked to safeguard our continent’s security.

**4. No end of the combustion motor or fleet CO<sub>2</sub> emission targets without SME and Mid-Caps in the automotive supply chain:** European decisions like those addressed by the Joint Paper of Italy and other EU member states should from now on involve from the beginning and also during the impact assessments after entrance into force always directly and equally the representatives of the supply chain SME and Mid-Caps in the automotive industry sector. Only in this way, the great challenges for the whole sector can be discussed and solved in a comprehensive, economically and socially acceptable way.

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