



Joint non-paper for the Route 35 Working Group

With a view to the next Route 35 Working Group meeting on 9 September 2024, the representatives of the Automotive Regions Alliance, Automotive Skills Alliance, ACEA, CLEPA and IndustriAll Europe would like to draw attention to the following points:

- We wish to point out that the automotive industry is vitally important for both Europe's prosperity, competitiveness and **social and regional cohesion**.
- We endorse **the EU's climate ambition** and stress the need for a clear, stable and predictable roadmap for the automotive sector which is in line with the EU short- and long-term greenhouse gas emission reduction targets;
- We need a **clear, simple, sustainable and structured continuation of the high-level Route 35 exchange format with the stakeholders of the automotive ecosystem, as well as establishment of a working group in close cooperation with those stakeholders** in view of the envisaged progress report and a comprehensive review of the Regulation on CO2 emission performance standards for new passenger cars and new light commercial vehicles that is envisaged in 2026 and heavy duty vehicles by 2027;
- In this regard, we call on the European Commission to draw on the key take-aways of the Route 35 meetings to date, notably:
 - We urge the European Commission to formulate a targeted **industrial strategy** enabling the entire automotive industry, its suppliers, dealerships and workshops and the whole new ecosystem to thrive and provide good quality jobs while transitioning to a net-zero economy. The strategy will have to build on existing initiatives, such as the Net-Zero Industry Act and the Critical Raw Materials Act, and take account of the recommendations set out in the Mobility Transition Pathway. It must cover the following aspects: supply of components and raw materials, a skilled workforce, investment in charging and refuelling stations and grid infrastructure, and a trade policy ensuring a level playing field with the EU's main competitors;
 - We advocate for **technology neutrality, with electrification at its core**, in terms of how to achieve the climate ambitions and deliver the necessary transition. This approach must respect the wide variety of mobility situations and the need to complement electrification with alternative, climate-neutral technologies where needed;
 - In line with efforts to ensure **Europe's prosperity and sustainable competitiveness**, we would stress the need to promote and de-risk industrial investment in innovative green and digital technologies and production methods in Europe, with guarantees on the retention and creation of good quality jobs. Strict criteria on access to EU funds should

continue to foster the fair transformation of our industries, which must be founded on social cohesion, good quality jobs and the promotion of social dialogue;

- We are concerned about just how much remains to be done to **meet the CO2 targets by 2035** and the serious and visible impacts of the twin digital and climate transition on jobs and companies. Mitigating this impact calls for **place-based solutions** and the anticipation of change, based on genuine **social dialogue and strong partnerships** between the social partners and public authorities along with enabling conditions and supportive measures at European level to enable the ambitious climate targets for cars, vans and heavy-duty vehicles to be met;
- We call for a strong **territorial dimension to the future Just Transition framework** that leaves no one and no region behind and is embedded in a strong cohesion policy;
- We support urgent call for a pan-European study on the regional dimension of the transformation of the automotive sector, including cross-sectorial relations, where **all relevant European Commission services** work together to provide support for collecting the necessary data at regional level across the EU, creating a basis for targeted measures to mitigate effectively the transition of the automotive ecosystem;
- We call on the European Commission to set up an **effective and comprehensive monitoring system** collecting granular regional data and upscaling it to an EU-wide monitoring approach. In this way, a consistent assessment can be carried out of the state of play and impact of the twin digital and climate transition, taking into account the experiences of the Regional Just Transition Observatories that were established as part of the implementation of the Just Transition Fund;
- We call for **appropriate financial support for the regions** affected by the transition of the automotive sector, including affected companies irrespective of size. In this regard, we are pleased that in her political guidelines, the European Commission president states that there will be a significant increase in funding for a just transition throughout the EU's long-term budget;
- In addition, we call for an effective roadmap of **all relevant European Commission services** in early 2025. This will make it possible to prepare a **progress report** which is based on effective and comprehensive monitoring, taking into account KPIs, and assess appropriate support measures, including financial resources to facilitate a just transition.