



FACT SHEET



EURO 7:

GOOD OR BAD FOR INDUSTRY COMPETITIVENESS?

Europe's auto industry is a leading driver of EU economic growth. The Euro 7 proposal means that certain vehicle models and segments could no longer be produced in the EU, risking progress on the industry's green transition.

Euro 7 is a new regulatory proposal put forward by the European Commission in November 2022 to further reduce pollutant emissions, such as nitrogen oxides (NOx) and particles, from all new vehicles.

THE EU AUTO INDUSTRY:



€59 BILLION

Spends €59 billion in R&D investment – more than the US, China, and Japan combined.



€79.5 BILLION

Contributes to an annual trade surplus of €79.5 billion



€375 BILLION

Generates €375 billion in taxation in major EU markets

WHAT DOES EURO 7 MEAN FOR THE AUTO INDUSTRY?

The **Euro 7 proposal** risks slowing down the transition to zero-emission transport, which will enable the EU to reach its ambitious climate goals and at the same time improve air quality.

Significant levels of investment are needed to comply with the **Euro 7 proposal's** unrealistic deadlines. The negative economic impact will harm the global competitiveness of the EU auto industry.

This is in addition to an already challenging context for vehicle manufacturers, which face:



Significant economic pressures
due to rising costs



Supply chain disruptions



High inflation

EU car production and sales have **dropped by about a quarter** from pre-pandemic levels.

In 2022, the EU commercial vehicles market shrank by around **15% to 1.6 million units**. This was lower than figures in 2020 – during the height of the pandemic (**1.7 million units**).

DRIVING DECARBONISATION

Europe's auto industry has made **huge progress** and is rising to the challenge of electrification and developing technologies that will drive decarbonisation.



2022 >1 IN 5



In 2022, **over one in five** of all new cars sold in the EU had a plug.

2030 3 IN 5



By 2030 this is forecast to rise to **three in every five cars** – putting the EU ahead of all other world regions.

HOW ARE OTHER WORLD REGIONS ATTRACTING INVESTMENT?

Other major economic regions are establishing an attractive investment environment for the transport industry. Instead of regulation, they are incentivising their way to zero emissions. The **Euro 7 proposal** comes at a time when the US is establishing a policy framework to accelerate the transition to fossil-free alternatives.

ACEA RECOMMENDS:

- A streamlined and holistic EU strategy that incentivises substantial investment in zero-emission transport in Europe and made in Europe.

