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# COVID-19 AND THE AUTOMOTIVE INDUSTRY

**EUROPEAN LOGISTICS PLATFORM**

Webinar on COVID-19

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# MEMBERS

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# KEY FIGURES ABOUT THE INDUSTRY

- **13.8 million Europeans** work in the automotive sector
- **11.4%** of all manufacturing jobs in the EU
- **€428 billion** in tax revenues (EU15 alone)
- **€84.4 billion** trade surplus for the EU
- **7% of EU GDP** generated by the auto industry
- **€57.4 billion** in R&D spending, 28% of EU total



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# Covid-19 and the automotive industry

# AUTO INDUSTRY IS HIT HARD

- **Development, production & sales shut down**
  - Loss of production over 2 million vehicles
  - Restarting slowly but huge discrepancies between MS
  - Difficult to get the whole supply chain moving again
- **Type approval process interrupted**
  - Shut down or reduced capacities
- **Disastrous market outlook**
  - Passenger car registrations -25.6% in Q1, commercial vehicles -23.2% in Q1
  - Forecasts: -25% for full year 2020 at best

# AUTO INDUSTRY IS HIT HARD

- **Over 1.1 million jobs affected (auto manufacturing)**
  - Impact on the wider automotive supply chain is even more critical
- **Risk of liquidity shortage**
  - OEMs burning cash everyday (e.g. VW: €2.2 billion/week)
  - Situation of suppliers even more critical
  - Customers (commercial vehicles)
    - Large numbers of < 5 years old, heavy-duty vehicles are being returned to OEMs due to bankruptcies, operators being unable to pay rates, early termination of leasing contracts etc...

# KEY ELEMENTS FOR A SUCCESSFUL RESTART

- **Ensure coordinated relaunch of industrial activity**
  - European guidance and coordination essential
- **Maintain necessary liquidity for businesses**
  - Measures such as state aid, tax breaks, investment guarantees, temporary unemployment and other flexibilities
- **Lay foundation for sustainable economic recovery in line with “Green Deal” objectives**
  - Coordinated vehicle renewal schemes for all vehicle categories
  - Accelerated deployment of charging- and refuelling infrastructure
- **Support restart by adequate regulatory framework**
  - Assess impact of the Covid-19 crisis on industry-relevant legislation
  - Together with member states, restart the type approval process



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ACEA represents the 16 major Europe-based  
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