

NEWS FROM BRUSSELS 42/2021

CLEPA: An electric vehicle-only approach would lead to the loss of half a million jobs in the EU

The European Association of Automotive Suppliers (CLEPA) commissioned PwC Strategy to assess the impact of three different Green Deal policy scenarios on employment and value-add among automotive suppliers across Europe in the period of 2020-2040. The scenarios represent a mixed technology approach, the current EV-only approach proposed in the Fit for 55 package, and a radical EV ramp-up scenario. All three scenarios assume accelerated electrification to meet climate goals, with a high market share for electric vehicles by 2030 of more than 50%, almost 80%, and close to 100%, respectively: <https://clepa.eu/mediaroom/an-electric-vehicle-only-approach-would-lead-to-the-loss-of-half-a-million-jobs-in-the-eu-study-finds/>

EU strengthens protection against economic coercion

The European Commission has proposed a new tool to counter the use of economic coercion by third countries. This legal instrument is in response to the EU and its Member States becoming the target of deliberate economic pressure in recent years. It strengthens the EU's toolbox and will allow the EU to better defend itself on the global stage. The aim is to deter countries from restricting or threatening to restrict trade or investment to bring about a change of policy in the EU in areas such as climate change, taxation or food safety. The anti-coercion instrument is designed to de-escalate and induce discontinuation of specific coercive measures through dialogue as a first step:

https://ec.europa.eu/commission/presscorner/detail/en/ip_21_6642

Zipse re-elected ACEA President for 2022, CO2 targets and EU-wide infrastructure roll-out high on agenda

The European Automobile Manufacturers' Association (ACEA) has re-elected Oliver Zipse, Chairman of the Board of Management of BMW Group, to hold the position of ACEA President for a second term in 2022. "The EU auto industry is a global technology leader that utilises its innovative capacity to deliver solutions to tackle climate change. We are convinced that sustainability and global competitiveness can go hand-in-hand – and even strengthen each other – if both are driven by technological innovation," stated Mr Zipse. "We are therefore looking forward to next year, when the EU will define fundamental legislation that will shape the future of our industry." Many crucial pieces of climate legislation were already put forward by the European Commission earlier this year: <https://www.acea.auto/press-release/zipse-re-elected-acea-president-for-2022-co2-targets-and-eu-wide-infrastructure-roll-out-high-on-agenda/>

Questions and Answers: Agreement on new rules governing VAT rates

Current EU rules on VAT rates are almost thirty years old and were in urgent need of modernisation given the evolution of the overall VAT rules over the years. That is why the Commission proposed in 2018 to reform VAT rates. The new rules are supported by a previous agreement to move the EU's VAT system to one where VAT is paid in the Member State of the consumer rather than the Member State of the supplier. This ensures that a greater diversity in rates would be less likely to disrupt the functioning of the Single Market or to create distortions of competition: https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_6609