

DAIMLER

EU 2020 – What role for European business ?

Daimler EU Corporate Representation

Agenda

1. EU 2020 - basics
2. Smart Growth
3. Sustainable Growth
4. Inclusive Growth

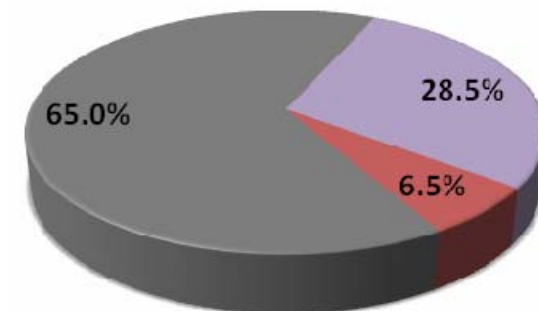
The automotive industry “Engine of Europe”

The auto industry is crucial for economy...

- ⇒ 15.2 million vehicles produced in 2009
- ⇒ over €26 billion in R&D spending, largest private investor
- ⇒ €42.8 billion of net trade contribution
- ⇒ €378 billion of tax revenues

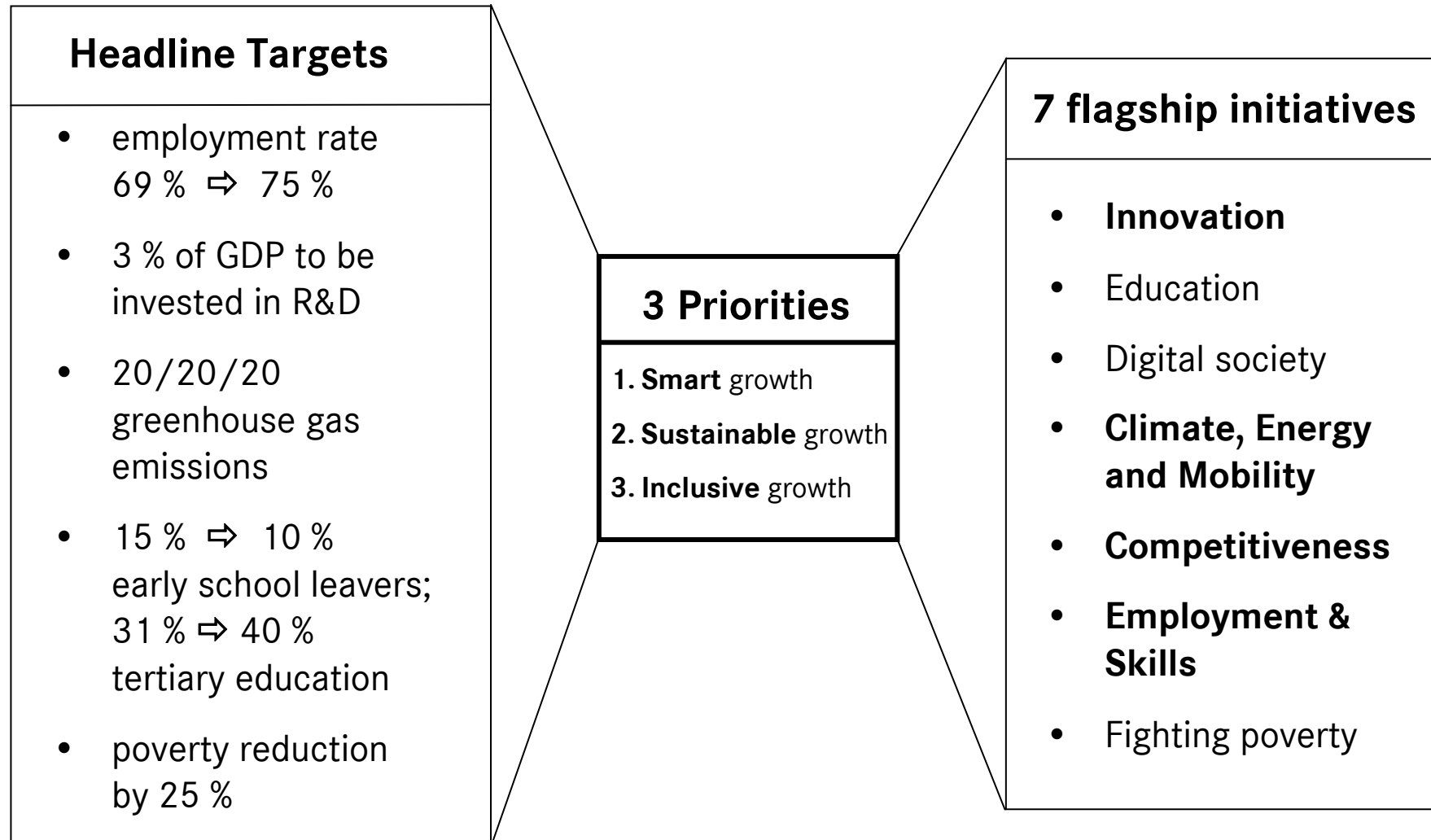
... and employment

- ⇒ 35% of EU manufacturing employment
- ⇒ 2.2 million direct jobs **(6.5%)**
- ⇒ indirect employment for another 9.8 million families **(28.5%)**



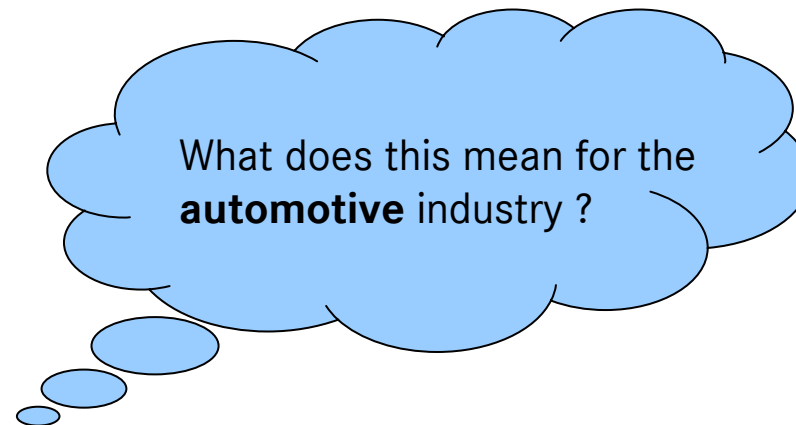
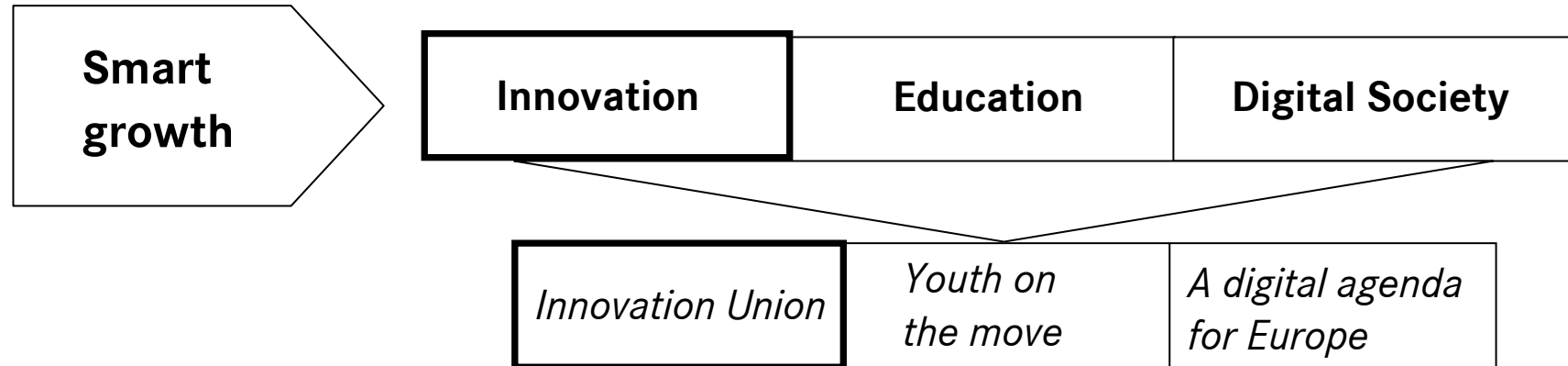
EU 2020 - basics

Targets - Priorities - Initiatives



1. Smart growth





“Developing an economy based on knowledge and innovation”



1. Smart growth

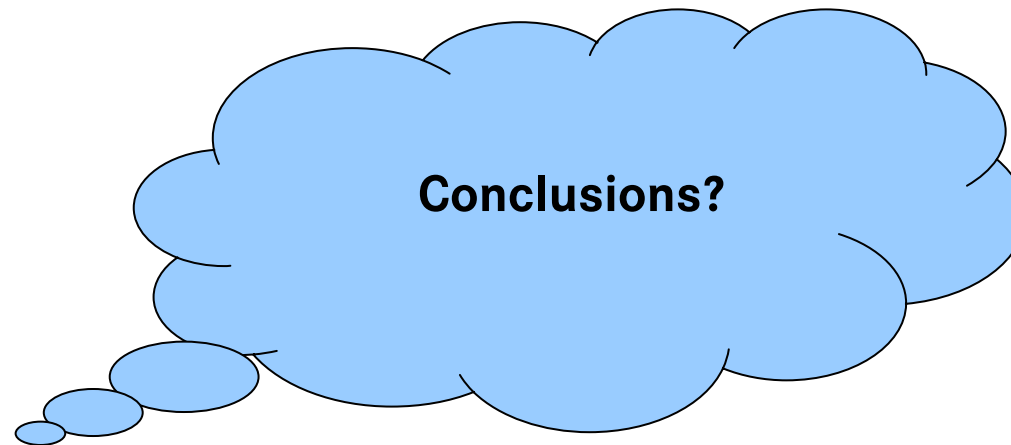
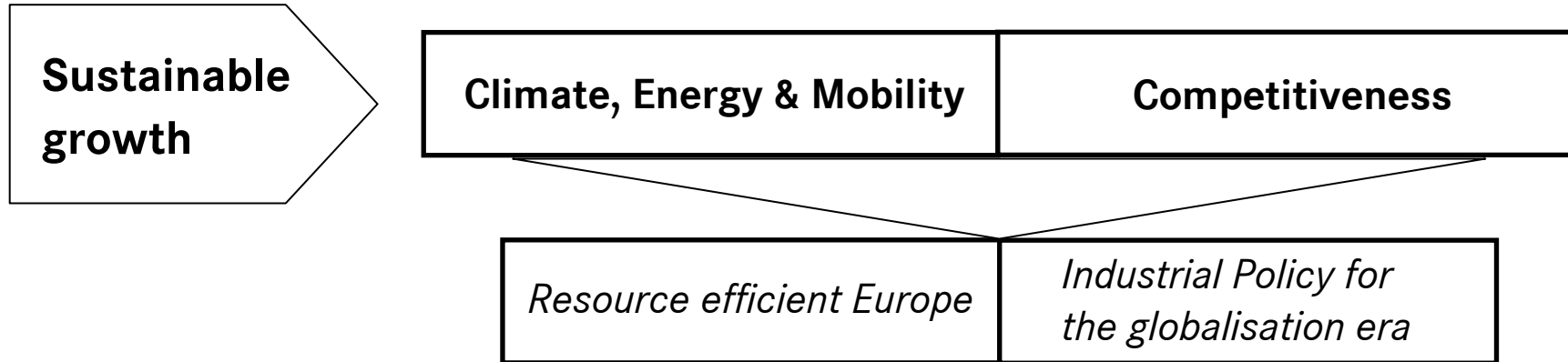
Innovation Union – Our Conclusions

EU 2020 should focus on:

- **Stability Requirements:** Energy Supply, Climate Change Policies
- **Sustainable Transport** (further Improvement of conventional engines, enhanced support of Battery-Electric and Fuel-Cell Powertrains) 
- **Resource Efficiency** and Availability → e. g. Raw Materials 
- Support Implementation by **Public Procurement**
- Smart **Funding** of new technology fields in ‘**old economy**’ 
- Early Settings of **Standards** and **Norms**, e.g. e-vehicles
Environmentally-friendly Production Methods 
- Enhanced IP Protection

2. Sustainable growth

“Promoting a more resource efficient, greener and more competitive economy”



2. Sustainable growth

Resource efficient Europe – Our Conclusions

EU 2020 should focus on (e.g. Green Car Initiative):

- **Standards:** Harmonized plugs to ensure inter-operability (e-car), common safety regulations (e.g. maintenance issues regarding high-voltage)
- **Smart-grids:** energy supply network needs to be adjusted to specific requirements of e-car-park
- **Financial aid:** should target the OEMs and supplier, but also the end-user (customer stimulation)
- **Hydrogen infrastructure:** further investments necessary



2. Sustainable growth

Resource efficient Europe – Our Conclusions



EU 2020 should focus on:

- **Realistic expectations:** No further hype regarding new, innovative technologies – feasibility not to be forgotten! No overstraining of “green” technology!
- **Clear definitions:** “Green” has not been defined yet and can not be defined
- **Infrastructure measures:** Needed for further decarbonising throughout the entire transport sector
- **Funding/ Taxation:** Financial support for new and existing, but promising technologies (e.g. inner-combustion engine) needed; not limited to electric and hybrid cars, but also to other alternative power systems (e.g. fuel cell)

2. Sustainable growth

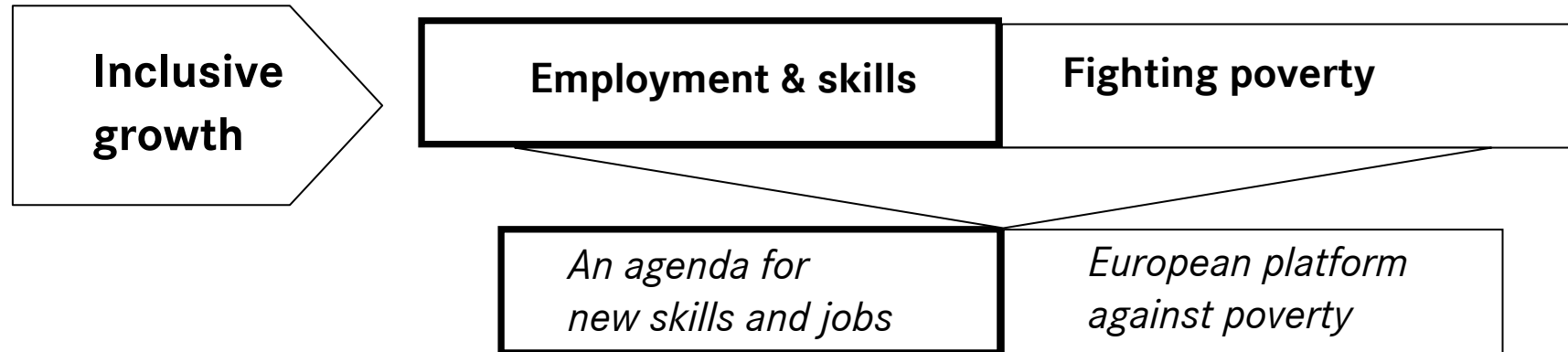
Industrial Policy – Our Conclusions

EU 2020 should focus on:

- **Markets:** level playing field needs free access and well-balanced free trade agreements 
- **Integration and coordination:** Different policies (e.g. transport, environmental, energy etc.) need to be aligned (e.g. **CARS 21**: Link between regulation and competitiveness) 
- **Better regulation:** less burdensome, but still clear framework -based on thorough impact assessments- important
- **Proportionality:** economical, ecological and social impact should be equally considered

3. Inclusive growth

”Fostering a high employment economy with social and territorial cohesion”



Which framework is needed for a better employment rate?

3. Inclusive growth

Employment and Skills – Our Conclusions

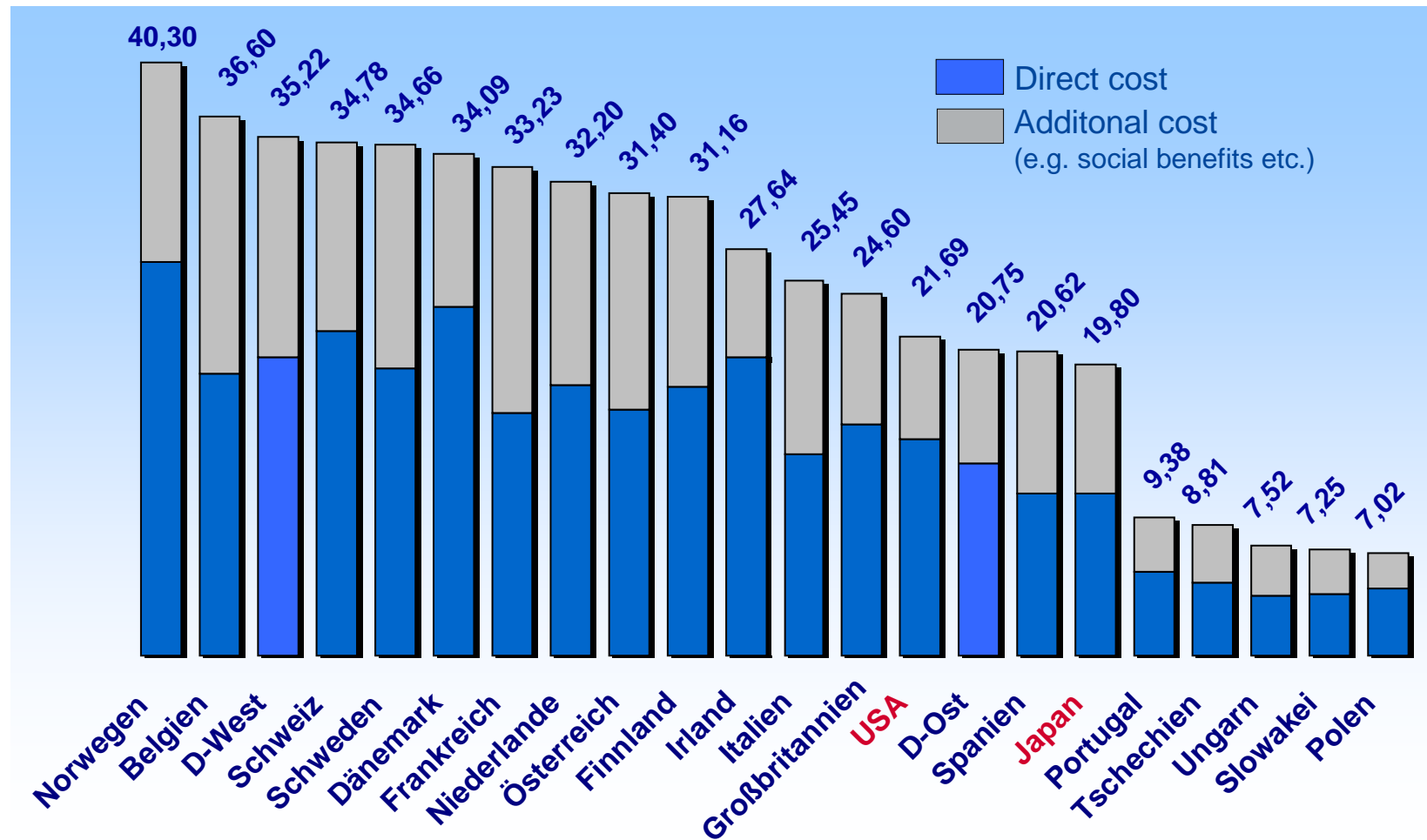
EU 2020 should focus on:

- **Social objectives** will not be reached without strong and competitive economy → No employment without growth!
Commitment required!
- **Social cohesion:** Industry already offers many jobs and contributes to Europe’s growth and competitiveness; “green” jobs will not be able to substitute “non-green-jobs” within the next decade
- **No distinction** between “old” and “new” industries

Employment challenges				
Ageing workforce	Skilled workforce	Flexible workforce	Labor cost	Attracting/ retaining talents
Social Dialogue - Flexicurity Concept - Third-country workers - Better regulation				

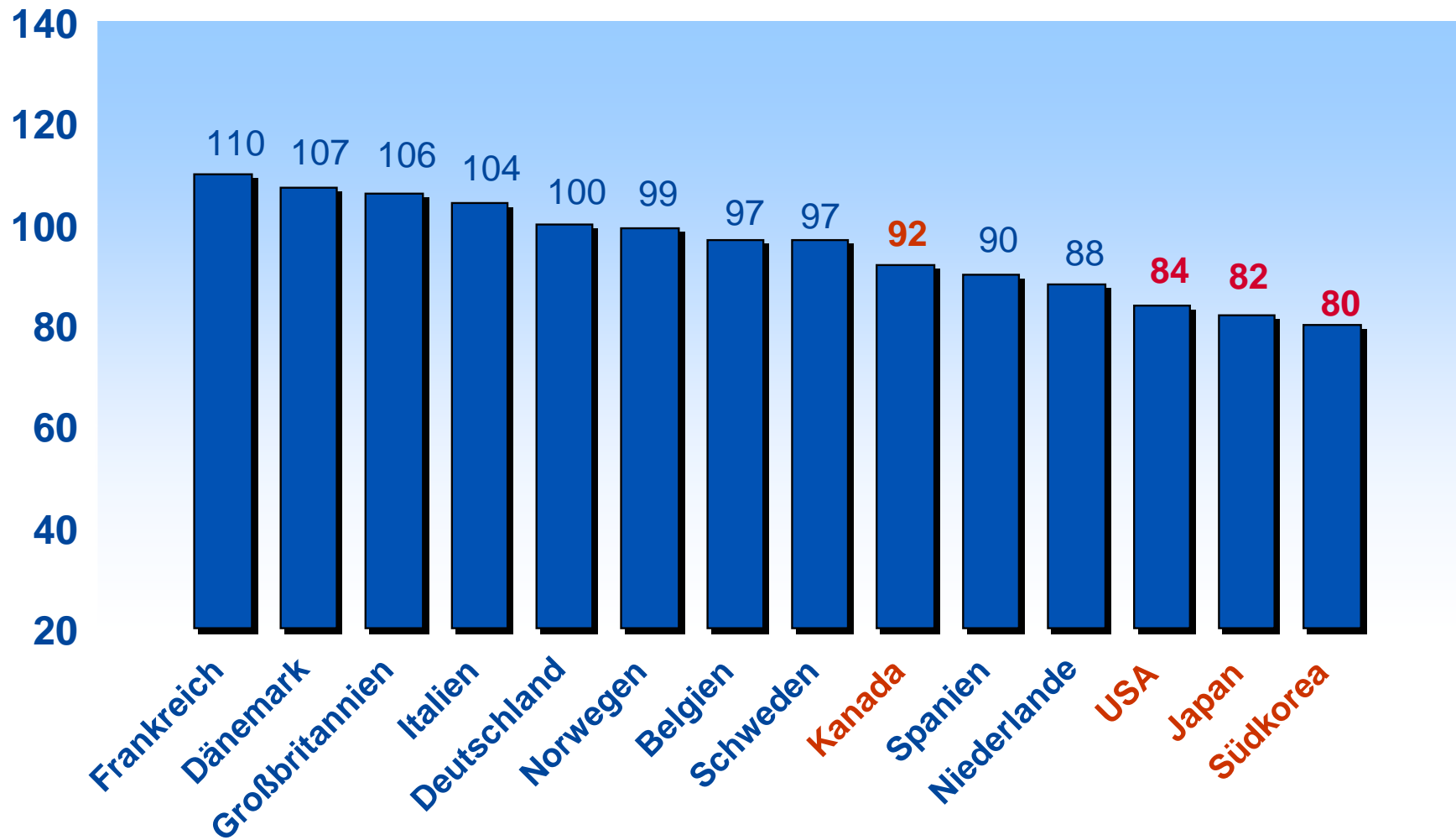
International cost of labor

Cost per hour/ Metalworking Industry 2008 (€)



International cost per unit

Metalworking Industry 2008 (Germany = 100)



Industrial Policy – Our Conclusions

EU 2020 should focus on:

- **Competitiveness:** A sound competitive economy is the only basis for sustainable growth
- **Industry:** Europe's social and ecological targets (climate change!) can not be achieved without a strong industrial groundwork
- **Commitment:** much stronger and clearer commitment to (automotive) industry and manufacturing in Europe needed
- **Innovation:** only solid industry provides future-oriented solutions
- **Trade:** Ensure open trade with transparent and predictable rules, achieve access to third markets by reducing/ eliminating high tariffs and non-tariff barriers, enforcing IP rights and protecting investment