



Commissioner Thierry Breton
Rue de la Loi / Wetstraat 200
1049 Brussels

Dear Commissioner,

The COVID-19 pandemic has had a devastating effect on the European Union's public health, but also on its economy. As for May 25th figures, the disease has taken the lives of almost 175,000 Europeans. Meanwhile, European Central Bank's Christine Lagarde has announced the institution's estimates for the economic shock on the Eurozone, warning a GDP decline of between 8-12% in 2020. In fact, confinement measures are already taking their toll on our industry.

The automobile manufacturing sector is an essential element of the EU's industrial potential, generating 7% of our GDP and creating almost 14 million jobs all across our single market. However, it has also been one of the sectors that have been more deeply affected by the current economic crisis. In March 2020, passenger car sales in the EU plunged 55.1% compared to the same month last year. For example, demand in Spain decreased by 69.3% during that period, while it plunged further to a 96.5% in April 2020. EU-wide losses due to shutdowns have affected the production of 1.23 million vehicles and 1.11 million workers, without even considering supply chain-related companies.

Within such a gloomy context, our worst expectations have been finally confirmed and Nissan Motor Company has decided to shut down its production plant in Barcelona. Such production plant is the only one the company owns in the European Union's territory, and has become a hub for distribution of vehicles to the rest of the single market. Besides that, the shutdown will have a devastating impact on 3,000 of its employees and on a further 12,000 jobs in supply chain-related companies in Spain only.

As such, we are writing this letter to you in order to call for bolder action not only for the competitiveness of European industry, but also for its survival. Industry is one of the fundamental pillars of the future of the European Union, a source of top-tier innovation and an engine for jobs and growth. In addition, industry is also the perfect venue to channel the current European Commission's priorities enshrined in the European Green Deal and the digital transformation strategies. For these reasons, we propose you take the following measures for adoption by the College of Commissioners:

- Ensure that instruments put in place in order to support our industry come with strings attached, so that companies that benefit from such support schemes and extraordinary state aid will not relocate to other jurisdictions.
- Level the playing field for European companies in the automotive sector, making sure the COVID-19 crisis does not leave anyone behind, protecting our single market and the freedom of choice of all European consumers.
- Propose a plan for the relocation of essential parts of global value chains in the automotive sector, reducing our strategic dependence on third countries and showcasing the added value of our productive fabric.
- Support public-private cooperation in the field of research and innovation for the production of sustainable vehicles, putting European industry at the forefront of global competitiveness and making it easier for SMEs and start-ups to access public-private partnerships and projects.

In a nutshell, what we are asking is for the European Commission to weigh in and build a comprehensive framework for the success of our automotive industry. We believe such efforts to revitalize our automotive industry should be based on cooperation, instead of on unilateral decisions of national governments. Finally, we take the opportunity to express our sincere appreciation.



Yours sincerely,

Luis Garicano MEP

Soraya Rodríguez MEP

Jordi Cañas MEP

Adrián Vázquez MEP

Maite Pagazaurtundúa MEP

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