



**Europäischer Ausschuss
der Regionen**



To the members of the AUTOMOTIVE REGIONS ALLIANCE (ARA)
of the European Committee of the Regions

Report on the Saxon Chair 2022/23
at the 2nd Conference in Pamplona (Navarre/Spain)
November 9th, 2023

Dear Members of the Automotive Regions Alliance,

with this report I would like to give an account on Saxony's Chair of the Automotive Regions Alliance (ARA) in 2023/24 and on what has happened since our first conference in Leipzig on November 17th, 2022 until our second conference in Pamplona (Navarra/Spain).

In Leipzig over 60 participants from 21 regions came together and EU Commissioner Nicolas Schmit was the key note speaker. In Leipzig, the ARA adopted the "Leipzig Declaration" as the conference's political final document as well as its future "working methods" and thematic priorities. The press coverage was broad and extensive. Since Leipzig, ARA has grown to 34 members with the accession of 8 further regions from all over Europe.

We welcomed as new members the following regions: Saarland, Bourgogne-Franche-Comté, Centre-Val de Loire, Emilia-Romagna, Saxony-Anhalt, Thuringia, Basque Country and Moravian-Silesia. The Alliance is open to further new members. Membership can be declared informally to the ARA Technical Secretariat.

The discussion on the future of the automotive sector in Europe gained momentum. Commissioner Thierry Breton launched the "Route to 35" platform that aims at securing a successful transformation of the automotive regions and measuring its progress with important key performance indicators (KPIs). The first meeting of the platform, where the ARA was represented at working level, took place just less than a month after the Leipzig conference on December 15th, 2022. Together with the CoR COTER Commission Chair, Mr Emil Boc, I have sent two letters to Commissioner Thierry Breton, highlighting the importance of measuring this progress at regional level.

Our proposal for a regional KPI was welcomed in the reply of Mr. Breton. The ARA aims to continue to stay in close contact with the Commissioner and the Route to 35 platform. The "Route 35" process will be crucial for the integration of the regional KPI into the overall framework and I count on the European Commission to keep the ARA involved.

On June 5th, 2023, upon invitation of the EU Commissioners Thierry Breton and Nicolas Schmit, I was able to present ARA's political concerns at a meeting in Brussels within the framework of the "Route 35" process on the social aspects of change in the automotive industry. Among others, the Automotive Skills Alliance (ASA) and numerous stakeholders from the automotive sector were present.

The legislative proposal on strengthening the CO2 emission performance standards for new passenger cars and new light commercial vehicles was finally adopted. The ARA is explicitly mentioned as the key partner for the European Commission to draft the just transition plans and identify budgetary needs. One key aspect of the ARA, to remain technology open and do not underestimate the potential of alternative fuels has been included in the compromise: After negotiations with the Commission, the latter agreed to create e-fuels exemptions to the internal combustion engine ban in the form of a delegated act sometime in the future. The implementation of this agreement will keep us busy.

The CoR published a press release on February 14th, 2023, with statements by the ARA Chair, the COTER Chair and the ARA Vice-Chair, President Maria Chivite. I was also able to present ARA's position in an interview with EURACTIVE.

As acting ARA Chair, I presented the Alliance, its concerns and its core demands in a video message at the meeting of the COTER Commission on February 16th, 2023, at a hybrid event of the Just Transition Platform on April 27th, 2023, and at the meeting of the ECON Expert Commission on June 7th, 2023, and was also able to participate in the EPP Political Assembly in Munich on May 4th and 5th, 2023.

Meanwhile, the Commission is currently organizing roundtables on the "Transition pathway for Mobility" with different stakeholder meetings to feed into their first "transition report" for the automotive ecosystem. Many regions have provided feedback on the EC's questionnaire or participated directly in the roundtable discussions of November 2022 and April 2023. This is surely going to help in communicating our goals. We expect the publication of the transition pathway policy report in the very near future and I am glad that the ARA was a crucial player in the co-creation process. We will continue to be working with the European Commission on the implementation of the mobility transition pathway policy.

Additionally, a study from the COTER commission of the CoR has been contracted about the "State of play and future challenges of automotive regions". The purpose is to determine the preparedness of different European regions in regards to the green and digital transition of the automotive sector and to propose actions to take for badly affected regions. The online questionnaire is now being evaluated and relevant studies will be taken into account. The results will be published as a CoR study later this year and sent to all ARA members.

On May 25th, I took over the chairmanship of the CoR's Automotive Intergroup (CoRAI) from Styria and promoted with a double hat as chair the mutual membership of ARA and CoRAI, because a joint approach will lend even more weight to our concerns.

After the foundation of the ARA at the 150th CoR Plenary on June 30th, 2022 and the 1st High Level Political Conference in Leipzig on November 17th, 2022 the ARA Technical Secretariat has taken up its work successfully and with great expertise and full commitment.

The ARA website was set up and is online as part of CoR web presence with links to all Member Regions. The ARA web page provides all relevant information, documents and videos. Saxony as acting chair delivered a mid-term report on the Chair's activities as of June 30th 2023 which was sent to all member regions. New fact sheets and membership forms for the ARA and CoRAI were set up and are available online on the corresponding websites. The new CoRAI website is online, too, and interlinked to the ARA website.

Nevertheless, an official ARA logo for public relations was still missing. Therefore, Saxony as Chair Region suggested to elaborate a logo for the ARA and launched a limited competition for design students. Cooperation partner was the University of Applied Sciences Mittweida. As competitive requirement the logo should show reference to CoRAI and CoR logos in its visual language. 8 design layouts for an ARA logo were submitted and a jury from the university and our Ministry evaluated the designs.

The winner logo was presented at the Sherpa Group meeting on September 8th, 2023 and the member regions agreed afterwards by not objecting. Further on, all member regions can use the logo free of charge: The rights lie with Saxony and the ARA Technical Secretariat.

During the European Week of Cities and Regions from October 9th to 12th, 2023 two events took place with reference to Automotive: Navarre as Co-Chair organized an online event "Development of new skills in the automotive sector". The session provided an exchange of knowledge and good practices between the regions of Navarre, Lombardy, Île-de-France to develop the necessary skills for a sustainable and fair transition of the automotive industry.

Saxony invited as ARA and CoRAI Chair to a political breakfast in the European Parliament with CoR and European Parliament members and stakeholders. The topic of this networking event was "Regions in Transition – the Automotive Challenge". The event was well received and frequented and the aim to make especially the European Parliament side aware of the transition automotive regions are facing.

An important development for the ARA was the adoption of the own-initiative opinion "A Just and Sustainable Transition for Automotive Regions" in the CoR-Plenary on October 12th, 2023. Rapporteur was CoR and CoRAI member Minister Sven Schulze from Saxony-Anhalt. The ARA has been contributing to the policy recommendations expressed in the opinion and has underlined – together with the CoRAI – that any structural change is also a question of territorial cohesion. The opinion aims to show the current institutional and economic situations around the automotive sector in Europe and calls for territorial impact assessments and just transition mechanisms for the regions.

The rapporteur was host of another event within the framework of the European Week of Regions and Cities: On October 11th, 2023 speaker from Saxony-Anhalt and the regions of Wales, Centre - Val de Loire, Mazovia and Valencia discussed the topic “Automotive regions: a just and sustainable transition to reinforce ecosystems and harness talent”. It was a very interesting exchange of regional needs to the automotive transformation process.

The Automotive Skills Alliance (ASA) has approached the ARA to prepare a joint declaration on how the cooperation between the two alliances and the Automotive Intergroup (CoRAI) could be intensified. This is a first result of the excellent meeting of June 2023 where the ARA and the ASA have presented the regional and skills dimension of this transitions to Commissioners Breton and Schmit. The document entitled “working agreement” was negotiated in preparation of the Pamplona conference and will be signed by the three parties there.

The cooperation between the three chairs – Saxony, Navarre and Lombardy – was excellent, and I am very grateful for that. The work of the Sherpa Group as a working level in Brussels is just as important as the great support from the ARA Technical Secretariat in the CoR, especially in maintaining our ARA website. I thank all those involved for their excellent work and good cooperation. Last but not least, the preparation of the Navarre Declaration which will be adopted in Pamplona was a fruitful discussion with many regions involved.

Finally, I am looking forward to continue our joint efforts and cooperation to foster the ARA’s political goals. As Chair of CoRAI, I will remain involved in the topic and will continue to contribute to the work of ARA. I would be very pleased about a joint appearance of ARA and CoRAI at the summit in Mons next spring.

With kind regards

Thomas Schmidt
Acting ARA Chair 2023/24
Saxon State Minister and CoR Member