

PS/

5<sup>th</sup> October 2009

**Mr. José Manuel Barroso.  
President of the European Commission**

**Re: Current Situation in the European Automotive Industry**

Dear President,

For over one year we have been faced with an enormously difficult economic and social situation within the European automotive industry.

Many of the automotive producers (car and heavy vehicle manufacturers) have had to adjust production to a hitherto unknown drop in demand and orders. Despite initiatives from some of the EU member states (i.e. wreckage premiums), the fundamental problems of many of the automotive producers still jeopardize the future of a highly important industry for Europe and its people.

The supplier companies in particular, which are often small and medium sized enterprises (SME), face a situation in which they simply have to fight for economic survival. The automotive industry provides more than ten million jobs in the European Union, the vast majority of which are in the supply companies. For the SMEs it is often extremely difficult - if not impossible - to get access to urgently needed finances. Several of them have already gone bankrupt and many have had to announce massive redundancies. We are witnessing the loss of thousands of jobs - and consequently the loss of an indispensable means for the development of highly competitive automotive products, i.e. skills and know-how. This will continue if we do not provide the needed assistance for the companies and their employees.

We see that some governments of EU member states are providing financial means for the industry while others are reluctant or not willing/able to take an active role. This leads to an imbalance and to an increasingly national view on the industry. It generates speculation, national rhetoric and competition among companies, politicians and automotive plants. Solutions for the industry in general - but also for the

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individual companies - should be made in a transparent and co-ordinated way.

Since the European automotive industry is of vital importance to European manufacturing industry in general we do see an urgent need to take an initiative in tackling the following problems very urgently:

- 1) Access to financial aid for the whole of the automotive industry
- 2) The co-ordination and transparency of national support for the automotive industry
- 3) The safeguarding and further development of skills and know-how, especially oriented towards new technologies
- 4) Support for a rapid R&D initiative for the "Car of the Future"
- 5) The strengthening of European financial means for mastering the negative effects of the current crisis for the workers (Globalisation Fund/Regional Funds/ESF)
- 6) A regulatory framework supporting the market penetration of the new-generation vehicle

There is an urgent need for an initiative where all stakeholders, in particular the Social Partners and the respective representatives of the EU member states, work together towards a solution for the current and future challenges of the automotive industry.

In this context, it is highly regrettable that the initiatives taken and already planned for the second semester 2009 in the framework of the CARS21 initiative have not been maintained.

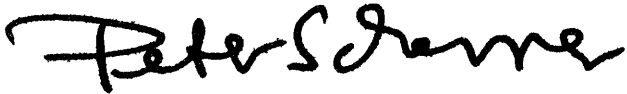
A European Council or a European Commission for the Automotive Industry could help to develop joint solutions for the problems we face now and will continue to face in the near future. We, the European Metalworkers' Federation, would like to ask you to support such an initiative and take the necessary steps as soon as possible. I will of course also address this issue to the President of the European Council, Mr. Frederik Reinfeldt.

As trade unions in the sector, we are convinced that it is now, during the crisis, that we need to prepare for after the crisis. This includes all the measures required to permit and encourage the emergence of new technology. This implies tight co-operation between all stakeholders at the European level.

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I do hope that we can jointly master the current situation, which for hundred of thousands of workers and their families in the automotive sector, is a very painful and bitter period of time.

Yours sincerely,

A handwritten signature in black ink, reading "Peter Scherrer". The signature is written in a cursive style with a large, sweeping initial "P".

Peter Scherrer  
General Secretary