

AUTOMOTIVE

ACEA issues statement urging specific Brexit guidelines

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Aston Martin, a British automaker, could be impacted by Brexit. Image credit: Aston Martin.

By BRIELLE JAEKEL

As the E.U. summit gets closer, the European Automobile Manufacturers' Association is sharing the implications of a significantly damaged auto industry if sector-specific guidelines are not handled with care in regards to Brexit.

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With 300 automotive production plants spread across Europe and many different countries involved in the assembly process of individual models, E.U. standards will have a big impact on the industry. The ACEA is focused on whether or not British-approved vehicles will be allowed to sell in the E.U.

"It is essential that manufacturers can maintain valid type approvals in both the E.U. and the U.K. as of 30 March 2019, no matter where the approval was issued," said Erik Jonnaert, secretary general at ACEA. "We are therefore calling on the European Commission to clarify how existing approvals can be transferred from an EU27 authority to the UK, and the other way around."

Brexit and auto industry

The E.U. has a specific set of guidelines when it comes to automotive production regarding safety, environmental and security specifications. Automakers in Europe and the United Kingdom are now concerned about how their vehicles will be sold across borders.

ACEA is asking the heads of state, who are set to approve the guidelines of the European Council's Brexit guidelines at the E.U. Summit on March 22 to 23, to recommend both the U.K. and the E.U. recognize each other's vehicle approvals following Brexit.



Rolls Royce is one of the UK's luxury car brands that could be affected by post-Brexit trade policy

Another fear is that additional custom checks will arrive with Brexit, which would cause significant productivity issues and added costs. The ACEA has stated this could even lead to assembly line stoppage.

The E.U. has also launched a new program in which it monitors CO2 emissions from vehicles. Whether or not the U.K. will still remain a part of the 2021 CO2 targets and calculations is unknown.



While many are concerned over Brexit's implications, real estate is expected to do just fine

ACEA is hoping the U.K. will not be excluded from the calculations, as doing so would "leave very limited time for the industry to readjust compliance strategies for reaching the stringent 2021 targets."

Brexit impacts

The impact of the United Kingdom's Brexit vote is still being felt today, but the election of Emmanuel Macron in France and other recent developments in the region suggest the European project is not dead.

After nationalist elements of U.K.'s political culture successfully pushed the country to vote to leave the European Union, many believed that Europe was on the verge of breaking apart for good. Speaking at New York Times Luxury event, Enrico Letta, the former prime minister of Italy, spoke about how it is too early to count Europe out for good just yet ([see more](#)).

Auto manufacturers from around the United Kingdom previously called on the government last March to come up with some sort of plan to help keep them competitive in the wake of Britain leaving the European Union.

The Society of Motor Manufacturers and Traders issued a statement calling for the U.K. government to come up with a plan to safeguard the country's auto competitiveness. With Brexit now fully underway, U.K. luxury automotive brands will face fiercer competition from European counterparts ([see more](#)).

"Excluding U.K. data from the CO2 calculations would leave very limited time for the industry to readjust compliance strategies for reaching the stringent 2021 targets," ACEA's Mr. Jonnaert said. "The U.K. deciding to remain in a customs union with the E.U. would of course be an effective solution to enable frictionless trade in goods between the E.U. and U.K."

"But, regardless of which Brexit scenario is pursued, it is essential that E.U. and U.K. authorities already now start preparing to simplify customs procedures and to reinforce their customs capacity," he said. "Otherwise we will see severe land and sea-port congestion at both sides of the Channel once the U.K. leaves the E.U."

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