

Vice-President Šefčovič at the Networking Conference on Electro Mobility 2018

*Speech by Vice-President Šefčovič, in charge of Energy Union, at the
Networking Conference on Electro Mobility 2018, in Berlin*

Minister Altmaier,

Distinguished guests,

Ladies and Gentlemen,

It is a pleasure to be among hundreds of like-minded leaders from around the world who are turning electro mobility from a vision into reality. I would like to thank Minister Altmaier and his ministry for holding this event, this 'Vernetzungskonferenz' regularly here in Berlin. The fact that such events take place here at the heart of Europe send a strong message to the rest of the world; that Europe is gearing up on the race of electric mobility!

In fact, the first electric cars were manufactured here in Europe as early as the 19th century! But they were quickly pushed aside by other solutions whose environmental damage we only started to fully realise decades later. It is therefore no surprise that electro mobility is gaining momentum again as part of the broader shift towards low- and zero-emission mobility solutions.

This deep transformation that here you call Energiewende has only started. But if you will, it is the power and energy behind the 4th industrial revolution. But if clean energy is the going to power the change, clean transport is going to deliver it, and the Verkehrswende will also become reality. I am therefore very encouraged by your numbers and level of enthusiasm here today because we will need this joint approach in order to reach the finish line. Electro mobility is not even a relay race where we can sit and wait while the others are running. It is more like a group race where we must all accelerate at the same time.

That is why the 'Vernetzung' part of this event is also so important, especially at a global level: in order to connect our engagement across decision-making levels (local, national, European, and global); across sectors, and across industries. Electro mobility cannot emerge in its vacuum nor in its own bubble. It will require significant changes in all adjacent industries and policy fields. For example, more electric vehicles require more renewable energy and a more flexible energy market. Smart charging and vehicle-to-grid create new challenges and opportunities that grid operators, energy producers and vehicle owners will need to address together. More broadly, we need to reflect on how mobility will need to develop in our cities, in a context of multi-modality, decarbonisation and digitalisation.

This holistic approach of connecting the different stakeholders together was also the logic behind the EU Battery Alliance. By offering a compelling vision and connecting the right actors, we can trigger a very powerful chain action. In this case, it was the raw materials / chemicals, battery manufacturers, electronics, utilities, automotive and recycling industries, key EU Member States and the European Investment Bank. Together, we recognised that the European battery market is not only strategic imperative if we want our electro mobility to hit the road in Europe and our energy system to be decarbonised. We also recognised the full potential of this endeavour: according to available forecast the battery market in Europe could be worth EUR 250 billion per year from 2025 onwards. That is why we have set up the European Battery Alliance and put together a Strategic Action Plan, which consisted of a range of financial and policy measures, to support the entire battery value chain.

Stemming from a simple observation: the scale and speed of investment needed means no industrial actor, or EU country, can do this alone. For all those reasons, we have launched the "Airbus of EU batteries".

I would like to emphasise the particular contribution of the German government and the German companies in this project. Our alliance is based on the industrial strengths of its partners. Given their presence across the supply chain, German companies must play a decisive role in setting sustainable standards, the supply and demand of European batteries!

And they do. I welcome the recent announcements made by several key actors which are present here today to invest and team up with other European partners. Germany is at the core of this pan European Alliance.

When it comes to electro-mobility, 'networking' is not only about us meeting and discussing new ideas. It is also about the future of our infrastructure network for alternative fuels such as electric cars. This should be not only on motorways and on public streets but also in private houses and office buildings. We must allow a smooth experience where charging is not a concern!

This has been high on the Commission's agenda. And indeed, our 2017 Action Plan for alternative fuels infrastructure brings an additional EUR 800 million in innovative financing. This is a large amount but the purpose is not to finance 'anything'. Our infrastructure needs to be "future-proof", ready for large-scale uptake of low- and zero-emission vehicles.

We are therefore working with Member States on implementation of their national policy frameworks for alternative fuel infrastructure. Yet, I also note that there we must increase our ambition if we are to meet the challenge. For example, currently, there are 130,000 publicly accessible recharging stations across the EU. This is enough for the time being for the 700,000 vehicles on the road but it will not be enough in 1-2 years' time when we expect accelerated take-up. We will look at this in our 2019 evaluation of the Alternative Fuels Infrastructure Directive and we expect that as we create a signal for a homemarket for clean vehicles through our regulation for CO2 reductions for vehicles, further investments in infrastructure become bankable

Finally, the Commission as the initiator of EU legislation has been playing an important role in setting ambitious, yet attainable targets to reduce CO₂ emissions from cars and vans, and trucks. These proposals are now entering the final negotiation phases between Council and European Parliament and it looks like the ambition will be high.

Once these rules are in place, the ball will very much be in the industry's court. The EU can ensure stable and conducive regulation, we can create incentives, unlock funding, and trigger cooperation but we are not about to start producing clean cars...

This is the big moment of Europe's automobile industry to take off the gloves and embrace the challenge. Let us all recognise that the potential is huge! According to the International Energy Agency (IEA), the global number of electric vehicles should triple over the next two years. The IEA expects sales to increase by 24% each year on average up to 2030. That is 125 million new electric cars!

That is why clean transport is not one option out of many. It is the only option. The only question is who will be the one to provide the best, most effective, most sustainable and competitive solutions. The question is whether Europe would produce the solution or will we have to buy it from others. Last year, the absolute majority of new electric cars sold were in China. More than 90% of all electric buses run in China. Few other countries in the world have developed such market shares. Ensuring a leading competitive position in this fast evolving market will not be easy.

Yet, I am convinced that the European car industry can pave the way of the global transition to clean and connected mobility. I am convinced that Europe can become THE continent of smart, safe and clean car infrastructure. We are better equipped to make that giant leap than any other part of the world.

Let me add that the challenge is not only global competition. The challenge is also in terms of our joint efforts on climate action which are still not enough. I'm sure you've all seen the IPCC Report from last month which indicated that in order to reach the Paris Agreement objective we may need to reach a global CO₂ neutrality by 2050 and greenhouse gas neutrality soon after. The global industry might therefore need to drop its CO₂ emissions by up to 90% compared to 2010 levels.

This a huge challenge which requires us in Europe to think further ahead, well beyond 2030. Of course, the further ahead we look into the future, the more difficult the challenge becomes. It requires more analysis, more research, more consultation, and more vision.

I know that there is great expectations by governments and stakeholders to see the Commission's long-term Strategy for a mid-century greenhouse gas reduction, which we will present at the end of this month. Meanwhile, I can assure you that this will be a far-sighted vision into modernising Europe's entire economy, across all sectors. This will also serve our message to the world in COP24 in Katowice: we, Europeans, do not need to be the first emitters in order to become the first economic power. We have already

decoupled economic growth from CO2 emissions over the past few decades. We will now make the next step of building a resilient, modern, innovative, and competitive economy but this time it will be entirely carbon neutral!

Clearly, transport must play an important role for it accounts for almost a quarter of Europe's greenhouse gas emissions, and road transport alone is responsible for almost a fifth of total EU emissions. To decarbonise our mobility, we need to optimise our transport systems and our logistic processes, minimising "empty runs" and eliminating unnecessary moves. We need to promote more efficient modes such as rail and waterborne transport.

Ladies and Gentlemen,

I have mentioned some of the major milestones of the past and some of the ambitious objectives for the future. We have to see this also against the background of the emission scandal.

Consumer and public trust have been badly hurt. We must still act collectively to restore this trust. It is now up to concrete and decisive measures by authorities at all levels, and most importantly: by the automobile industry itself.

The industry itself is still struggling to regain consumer trust. European citizens have the right to receive clear answers, not only from the relevant regulatory authorities but also from their car-manufacturers. Beyond answers: they should receive acceptable solutions. We cannot put this story behind us without a proper and fair closure. I am confident we can reach one.

Ladies and Gentlemen,

Let me conclude by saying that the race for clean mobility is going to be a difficult one, requiring many stakeholders to work together and reinforce each other towards our common goal. I assure you that the Commission will remain your ally, creating incentives, policy, regulation and support. I do not underestimate the challenge, which is still required from our entire industry in order to create this transition but I am convinced that given what is at stake, we simply can't afford to miss this race. If Europe was the first to produce electric cars and if Europe has been leading the combustion cars industry for a century, it's time we now do both: produce the best electric cars in the world!

Thank you very much!