

The Society of Motor Manufacturers and Traders Limited (SMMT) – Written evidence LPF0016

We thank the House of Lords EU Environment sub-committee for the opportunity to submit information to its Inquiry on 'Environment and the Level Playing Field'.

The automotive sector is a key driver of growth and prosperity across the UK - £82 billion turnover and £18.6 billion value added; with some 168,000 people employed directly in manufacturing and 823,000 across the wider automotive industry; it accounts for 13% of total UK export of goods. A thriving and diverse sector will help propel the country towards a successful post-Brexit future based on international trade, productivity, research, development, digital innovation, and a rebalanced economy across all regions.

Given the integrated nature of UK automotive manufacturing and the critical importance of preferential access to the EU market to investment in the sector and its competitiveness, it is essential that government successfully negotiates an ambitious and comprehensive trade deal with the EU. This is the sector's foremost priority and we welcome the opportunity to provide some information to support the sub-committee's inquiry.

The global automotive industry is a heavily regulated sector, and we believe the UK and EU should agree a new framework for regulatory cooperation and dialogue in relation to automotive.

- This should start from a position of complete alignment, recognising that the UK and EU currently share the same rules which the UK has been instrumental in developing, and be supported by a robust governance framework.
- In addition, the significant cost of additional testing should be avoided by the UK choosing to align with EU technical regulations and seeking mutual recognition for its type approval framework and technical services.
- As aforementioned, both parties should aim to align all technical regulations related to automotive, including those related to emissions, as well as environmental regulations related to the automotive sector, including, but not limited to end-of-life vehicle regulation, waste management and product specific recycling requirements, as well as regulation related to new digital technologies, including those governing the use of data.

Of relevance to the Committee's inquiry into 'Environment and the Level Playing Field' is the SMMT's position paper on priorities for the UK-EU trade negotiations:

- *SMMT position paper on UK-EU trade negotiations (January 2020)*
<https://www.smmt.co.uk/wp-content/uploads/sites/2/SMMT-POSITION-PAPER-UK-EU-Trade-Negotiations-January-2020-Final.pdf>