

22 June 2023, Brussels

Thierry Breton
European Commission
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Rules of Origin for batteries provisions in UK Trade and Cooperation Agreement (TCA)

Dear Commissioner Breton,

Representing European automotive workers in both the European Union's 27 member states and the United Kingdom, industriAll European Trade Union is deeply concerned about the danger posed to good jobs in our automotive industries from the impending application of Rules of Origin (RoO) provisions in the UK-EU Trade and Cooperation Agreement (TCA) at the start of 2024.

Europe's 13.5 million automotive workers are actively engaged in the mass electrification of our automotive industry and fleet, and have been vocal in the demand for national and European industrial strategies to ensure that we master the entire value chain in electric vehicle production. The imposition of tariffs on electric vehicles as a result of the RoO rules would undermine our efforts to ensure a Just Transition for workers in the sector on both sides of the Channel. We need to increase our domestic battery production as a matter of urgency but this is not feasible within the current time limits within the TCA.

As a consequence there is broad support from employers and trade unions in the EU27 and UK on the need for a postponement of the application of the RoO provisions until the end of 2026.

If not accepted, there are major implications for employment in the EU as well as the UK, and trade between our mutual key markets. The UK remains the EU's first market for manufacturing exports. ACEA estimates a total loss of 479,360 electric vehicles not manufactured in the EU. Furthermore, the implications for UK workers are stark. Stellantis has recently announced that no electric vehicles will be produced in UK if tariffs are applied. The potential damage is in neither side's interest.

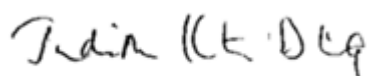
At a time in which much political attention is focused on the increasing exposure of the European market to Chinese electric vehicle imports, it is incomprehensible that policymakers would intentionally undermine our positions in key regional markets in this way.

Considering the foreseen investments in European battery production, it is expected that the additional 3 years would give our local market the time needed to organise production lines for batteries in line with the RoO provisions.

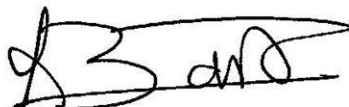
We would hope that the concerns of European workers will be taken into consideration and that a proportionate solution will be found before damage is done to our industrial fabric, at a time when there is already substantial structural change underway.

We are happy to discuss this issue further at your convenience.

Yours sincerely,



Judith Kirton-Darling
Deputy General Secretary



Isabelle Barthes
Deputy General Secretary