

Brussels, 9 October 2023 (OR. en)

> 13362/23 PV CONS 43 COMPET 914 IND 492 MI 782 RECH 415 ESPACE 61

DRAFT MINUTES

COUNCIL OF THE EUROPEAN UNION (Competitiveness (Internal Market, Industry, Research and Space))
25 September 2023

1. Adoption of the agenda

The Council adopted the agenda set out in document 13069/23.

2. Approval of 'A' items

Non-legislative list 13139/23

<u>The Council</u> adopted all "A" items listed in the document above, including all linguistic COR and REV documents presented for adoption.

Statements to these items are set out in the Addendum.

Legislative deliberations

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

3. Review of EU legislation on design protection

12714/23 + COR 1

a) Directive on the legal protection of designs (recast)

12714/23 ADD 1 + ADD 1 COR 1 + ADD 1 COR 2 (lt) + ADD 1 COR 3 (es)

b) Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 6/2002 on Community designs and repealing Commission Regulation (EC) No 2246/2002

12714/23 ADD 2

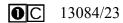
General approach

<u>The Council</u> approved a General Approach as set out in the documents above.

13362/23 COMPET 1

COMPET.1

4. Regulation on type-approval of motor vehicles and engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability (Euro 7)



General approach

<u>The Council</u> approved a General Approach as set out in the document above. Statements by <u>Denmark, Ireland</u> and <u>Italy</u> are annexed to these Council minutes.

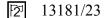
Non-legislative activities

5. Follow-up of the March and June European Council Conclusions on single market long term competitiveness and productivity, in the light of the Commission communications "The Single Market at 30" and "Long-term competitiveness of the EU": The role of competitiveness checks in the formulation of legislative proposals *Policy debate*

12678/23

Any other business

6. a) Report from the Ibero-American Forum of
Governmental Consumer Protection Agencies
(Madrid, 13 - 14 September 2023)
Information from the Presidency



The Council took note of the information provided by the Presidency.

b) Current legislative proposals
(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)



i) Directive on empowering consumers for the green transition through better protection against unfair practices and better information

Information from the Presidency

7808/22 + ADD 1

<u>The Council</u> took note of the information provided by the Presidency.

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ii) The EU pharmaceutical legislation from an industrial and competitiveness perspective Information from the Austrian and German delegations

The Council took note of the information provided by the Austrian and German delegations.

0	First reading
C	Item based on a Commission proposal
2	Public debate proposed by the Presidency (Article 8(2) of the Council's Rules of Procedure)

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Statements to the legislative "B" item set out in doc. 13069/23

Ad "B" item 4:

Regulation on type-approval of motor vehicles and engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability (Euro 7) General approach

STATEMENT BY DENMARK

"Denmark finds it of outmost importance to improve air quality in Europe. Poor air quality is reducing the life expectancy for over 300.000 European citizens every year. It puts a strain on our lungs and weakens our immune system. And vulnerable groups – children, the elderly, and people with low incomes – are affected most of all. In rush hours, traffic is the main source of pollution in our busy streets. Exactly where many people live, go to school, work and have their everyday life.

Denmark furthermore finds that a balanced approach is necessary to ensure protection of the environment and the health of all European citizens while keeping the European mobility industry at the forefront of global competition.

Denmark believes that the Commission's proposal for Euro 7 struck such a balance, creating health and environmental benefits that would outweigh its costs by a ratio of almost 4-1. Regrettably, the general approach represents a significant step back in terms of ambitions for environmental and health impact compared to the Commission's proposal.

In particular, it is regrettable that the following have been changed in the general approach compared to the Commission proposal;

- The general reversion of the emission limit values and test requirements to the Euro 6 standard. Vehicles will no longer have to comply with the emission standard with low payload, cold start, cold temperatures etc.;
- The deletion of stringent vapour limits that are already in use in China and the USA; and
- The postponement of entry into force dates by several years. With the current level of ambition of the proposal it is very difficult to see the justification for this delay.

Denmark supports the inclusion of emission limits for tyres and brakes as well as minimum battery requirements. However, the entry into force dates for tyres are set to 4 and 6 years with a 2,5 year transition period and the battery requirements are based on vesterday's market. This means that effects of this part of the regulation will not be felt until 2030.

Denmark firmly believes that the general approach on Euro 7 represents a missed opportunity for lawmakers to bolster the competitiveness of the European car industry, while ensuring better world harmonization of standards and significantly diminishing pollution from fossil fueled vehicles polluting the air in decades to come.

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Denmark also believes that a balanced compromise would have helped Member States to achieve the air quality standard expected in the future Air Quality directives. In short this is a missed opportunity to get a balanced approach towards zero emission mobility.

In light of the above mentioned Denmark cannot support the general approach."

STATEMENT BY IRELAND

"Euro 7 is a complex file with broad-ranging implications both for industry and for citizens of the EU. Ireland recognises the significant efforts undertaken by the Presidency, and the earlier work done under the Swedish Presidency, to find a feasible and fair solution to the divergent needs and concerns of Member States. From the outset, we have highlighted the importance of these standards to improve our air quality and protect public health, and to this end it is important that we see their introduction as soon as possible. Cognisant that the European Parliament will rise in 2024, Ireland will abstain in its vote for the proposed general approach put before Council in order to progress this file, but we must acknowledge that many of the concerns raised at working party are not reflected in this final text.

It is disappointing that the reasonable and achievable ambition of the Commission's original proposal has not been maintained. The technology and capability to impose more stringent limits already exists and is already in use in Europe's main competing car manufacturing economies. Ireland firmly believes that this is a missed opportunity to make the EU a market leader in cleaner, lower-emitting vehicles, and one which may make the Union's automotive industry significantly less competitive in a very short few years.

While we will not oppose the progression of the file, we recognise that some of our colleagues have similarly raised these issues and decided to vote against. Undoubtedly, all Member States will continue to proactively engage with negotiations and to advocate for a balanced, environmentally friendly agreement between Council and Parliament as we move through the next stage in the legislative process. It will be vital that we consider the important matters raised at working party again with the Parliament to ensure that Euro 7 will help us meet the goals of the European Green Deal, help to make the air we breathe free from harmful pollutants, and help keep our industry resilient and globally competitive."

STATEMENT BY ITALY

"Italy thanks the Spanish Presidency for the intensive diplomatic work. The compromise text on the table is beyond doubt a success compared to the first steps of this Regulation's proposal.

The realignment of a series of thresholds to those established by the Euro 6 Regulation for internal combustion engines and particulate emissions, as well as the extension of the deadlines for the entry into force of the new legislation represent a crucial decision, in the name of political, economic, and social responsibility. Italy is convinced that the EU must keep the bar straight towards the objective of the double green and digital transition, refraining from imposing new burdens on and requesting additional efforts to the manufacturers. New eventual obligations would inevitably end up diverting the industry's attention from pursuing the objective of a technological leap, therefore weakening its competitiveness, and putting employment levels in the Member States at risk.

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Italy therefore views the latest proposal as an eventually positive step in the right direction, and trusts that those points that are still critical will be improved during the trilogues. In particular, it considers that the on-board vehicle monitoring system has a strong negative impact on manufacturers, especially for low-end vehicles. Moreover, Italy recommends not to extending the on-board fuel and energy consumption monitoring requirements to all types of powertrains.

Italy relies on the fact that emission durability will be realigned with the standards of the current Euro 6 Regulation, as well as the durability requirements for traction batteries. For small volume manufacturers, it is fundamental to differ the entry into force of the Regulation to 2035, consistently with the Regulation on CO2 emissions.

To conclude, it is imperative to preserve and support the EU's automotive sector, which is being severely put to test by third-countries producers that gain competitive advantages thanks to generous subsidies and particularly favourable regulatory frameworks, which are not in line with the EU standards.

Italy is committed to continue working consistently and responsibly in this direction, for the workers, the industry and the EU citizens."

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