



Organisation Internationale des Constructeurs d'Automobiles

International Organization of Motor Vehicle Manufacturers

Speech by Mr. Carlo Sinceri, OICA President, on the occasion of the 50th Anniversary of the Agreement on Uniform Technical Prescriptions for Vehicles

Geneva, 26 June 2008

Good afternoon Ladies and Gentlemen,

I am delighted to have the opportunity to address the World Forum at the occasion of the 50th anniversary of the 1958 Agreement. This event is indeed an important one for me, as President of the International Organization of Motor Vehicle Manufacturers OICA. The auto industry worldwide attaches great importance to WP29 in general and to the 1958 Agreement in particular, in addition of course to the global harmonization activities under the 1998 Agreement. The 58 Agreement and the 1998 Agreement can be considered as complementary, with the 1958 Agreement providing the necessary administrative certification framework.

OICA participated already in the very first meeting of WP29 in February 1953; at that first meeting, 9 governments and 5 NGO's participated. It is clear that WP29 has dramatically evolved since these early days, with active participation by countries from all continents. WP29 has evolved from an originally rather European focus to gradually open up to other countries and continents, to finally emerge as a truly global, worldwide forum.

OICA has followed this same evolution since its establishment in 1919, almost 90 years ago. OICA now groups more than 40 manufacturer associations worldwide and is the truly global voice of the auto industry in the international arena.

In essence, as mentioned already at the March session of WP29, the auto industry is one of the main customers of WP29 and of the 1958 Agreement, having actively participated to the activities since the very beginning.

What do we buy from the 1958 Agreement? The answer is simple: we buy the possibility to obtain a widely accepted international certification of our products under the principle of mutual recognition of type approval, in other words "approved once, accepted everywhere", or to be more precise, "accepted in many countries worldwide".

The 1958 Agreement is therefore very clearly an essential tool for the auto industry and, without it, we as manufacturers would not be able to function effectively. It allows us to maximize the harmonization opportunities and to limit the number of legal technical constraints, since we have the assurance that the technical requirements will be widely recognized and accepted. It therefore also frees the necessary resources for further Research and Development and product improvements, rather than wasting resources on a multiplication of various contradictory legal requirements. All in all, it allows us to concentrate sufficient resources for the final customer himself, to make sure that the vehicle he or she will use on the roads fully meets and hopefully even exceeds his or her expectations.

What do we, as customers of the 1958 Agreement, pay to obtain this? We pay by designing and building vehicles which provide more safety on our roads and more environmental protection. This is done through the Regulations under the 1958 Agreement which have greatly contributed to improved safety and environmental performance over the years, with their gradual tightening of requirements in an effort to keep pace with technical progress and to maintain a continuous technical challenge for the industry, to the benefit of society.

Since the introduction of the very first Regulations under the 1958 Agreement, dramatic improvements have been achieved in terms of safety or environmental performance. Current vehicles are many times safer than in the past. They are much less polluting and much quieter than ever before. In spite of the ever increasing number of vehicles on the roads, the number of road fatalities and injuries continues to decrease and the air quality in our cities is now much better than before. I am persuaded that the UNECE Regulations under the 1958 Agreement have played and continue to play an important role in these remarkable achievements.

But this does not mean that we can consider that all problems have been solved. We are indeed facing new challenges, among others with the increasing globalization and the emerging of new economies, such as China and India. Estimates vary, but it is now widely recognized that the number of vehicles on the roads will increase enormously in the next 20 or 30 years. This of course creates new safety or environment difficulties and we all will have to face these.

Vehicles of the future will need to be even safer and cleaner than today.

In terms of safety, further advances will be needed in terms of both active and passive safety. When it comes to environmental issues, the trend clearly is towards very low or even zero exhaust emissions, including CO₂.

In both cases, however, it should be clear that the vehicle alone cannot solve all the issues at stake. Manufacturers can and do provide safe and clean vehicles, but for the whole system to work, the most cost-efficient approach must be taken, addressing all stakeholders in an integrated approach, namely the vehicle, the road and the driver. Also fuels play a crucial role and I heartily applaud the decision of WP29 to begin addressing this difficult issue. In all the ongoing debate regarding Environmentally Friendly Vehicles, vehicles cannot be dissociated from the fuels that allow them to move!

New technologies obviously only appear on new vehicles, and we all know that it takes a long time to replace the whole existing fleet. In order to reap maximum and early benefits in terms of safety or environment, it is therefore imperative to address the existing fleet and to make sure that policy decisions do not prevent its replacement. In this respect, there are some issues I would like to stress.

First, governments have a key role to play in defining policies addressing the existing fleet. Such policies obviously need to address the road infrastructure, to eliminate as quickly as possible the so-called black spots and to continue the development of an efficient and sustainable road infrastructure. These policies must also tackle the issue of traffic management, since much improvement is needed in this respect, sometimes at only a marginal cost. Finally, a lot can and must be done by the users themselves since they are the ones actually driving their vehicles on the road. Whether it comes to road safety or to the environment, the vehicle can only perform well to the extent that the driver uses his vehicle in a responsible way. There as well, governments have a key role to play, to promote responsible driving and to ensure that road traffic rules are enforced; the driver is responsible for his or her vehicle and governments should not expect vehicle manufacturers to take responsibility for driver misbehaviour.

Secondly, governments must be aware of the constraints that manufacturers are faced with. Manufacturers currently operate under ever more severe constraints in terms of safety and environmental protection, which may well sometimes entail inherent contradictions. In order to develop appropriate solutions at bearable costs, manufacturers need time to develop and design the technologies of the future and bring them to the market. Looking at the complexity of today's motor vehicles, one cannot expect that manufacturers can continuously operate under short term considerations. Manufacturers need a stable and predictable policy environment in which they can operate.

Thirdly, one should be well aware that policy decisions may sometimes give the contrary effect compared to what was expected. Due account must indeed be taken of the costs of the policies, which in the long run are passed on to the consumer. If the cost of the new technologies is prohibitive, there is clearly the risk that some consumers will further postpone their purchasing decision and keep their old vehicle longer than expected. When one realizes that a majority of the air pollution is caused by a minority of vehicles, namely the older ones, it is evident that this would entail negative effects for the environment. The same reasoning applies when it comes to road safety. Any drastic tightening of the constraints imposed on industry may sometimes need to be accompanied by courageous fiscal policies.

Manufacturers want to be part of the solution, but they cannot provide the whole solution. Manufacturers face a number of challenges and they need action by governments, other industries and consumers to make their own efforts effective.

Finally, I would like to say a few words regarding the changes we have recently seen in the global world. As noted previously, the emergence of new players, such as, but not only, China, India, and Brazil, creates new challenges that will need to be met. Such challenges can in my opinion not be met in isolation, but will need a coherent, pragmatic, integrated and, last but not least, international approach. WP29 offers the most appropriate and most international forum to find global solutions to global problems. I consequently urge a maximum of countries to actively participate in the activities of WP29 and to adhere as soon as possible to the 1958 Agreement.

Thank you for your attention.