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## **Changing face of transport offers challenges and opportunities for European business; enabling policies needed to ensure competitive edge**

*Bonn:* Electrification and automation are among the dramatic changes in the way transport is designed, operated and consumed that will have profound effects on our lives. Leading European companies are anticipating and responding, but unless policymakers invest and regulate to make the most of these opportunities, Europe will be left behind, according to a report from The Prince of Wales's Corporate Leaders Group, launched today at the UN Climate Change conference in Bonn.

The changes include the rapid uptake of electric vehicles, a shift away from vehicle ownership towards sharing transport as a service, and increasing automation and computerisation. They are driven by technological advances, and concerns about air quality. Traditional fuel powered transport accounts for a quarter of global energy-related carbon dioxide emissions.


**Jill Duggan, Director of the Corporate Leaders Group** said: "Current trends should result in lower emissions, safer roads, and less congestion. There are significant opportunities for European companies but change is happening fast, and there are major risks for those that fail to respond. Businesses need to understand what's happening and policymakers must support them to make investment decisions that have positive social and environmental outcomes. The market - as well as the competition - is global."

The report, *Electric avenue: The future of road transport in Europe*, warns that after years of misguided promotion of diesel engines, policymakers need to act fast to help European business catch up with the leaders on electric vehicle development, including Tesla in the US, Nissan in Japan, and BYD in China. The number of electric vehicles sold worldwide is predicted to rise from 448,000 in 2015 to over a million in 2017. Batteries are a huge area of growth, but currently only five percent of global battery production is in Europe.

Duggan: "European governments have begun to incentivise a shift away from internal combustion engines, but more needs to be done, and faster, to catalyse real transformation. Car makers need a clearer signal that Europe is serious about the switch to electric vehicles soon, so they invest in factories here, rather than choosing to import cars from the US or Asia. Governments should pass legislation and invest in infrastructure that encourages innovation, rather than seek to protect jobs based on out-dated business models."

**Natasa Sbrizaj, Public Affairs manager at technology company 3M**, highlights the opportunities in the changing sector: "At 3M we are looking at how to make street architecture, including signage, smarter – making the most of data and interacting with computerised cars in a way that regulates traffic flow and provides information to drivers and travellers."





Similarly, Iberdrola is working to improve the infrastructure needed to support new vehicles and types of usage. **Francisco Laverón, Head of Energy Policy of Iberdrola** said: “We are ready to work with governments to ensure that there are charging stations where people need them, which is essential to enable a smooth and rapid shift to low carbon transport.”

These CLG member companies – and others interviewed for the report – demonstrate that there are opportunities to be exploited, not just in Europe: Europe’s carmakers, software platform developers, AI pioneers and service companies have valuable expertise to offer new markets like China and India, but they will need to compete with emerging new players.

Five percent of Europe’s workforce is employed by its automotive sector alone. To ensure their companies are well placed to thrive in the rapidly changing context, European policymakers should:

- Foster efficient new markets, for instance by making sure that technologies like charging points are standardised.
- Put infrastructure in place to encourage consumers to shift to new technologies, for example by legislating that charging points must be provided near customers’ homes, or by laying suitable electricity cables on motorways.
- Encourage innovation in infrastructure by making their tendering processes favour sustainable solutions.
- Make data available for smartphone-based business models that can integrate public transport or make logistics more efficient.
- Assist research and development in crucial industries, including the development of new battery technologies and AI.
- Understand the implications of technologies such as automation, and respond to public concerns while supporting innovation.
- Tighten emission standards and improve enforcement.
- Support R&D and innovation in businesses that feed in to the more-integrated transport system of tomorrow, whether in technologies such as ‘smart’ road sensors and hydrogen fuel cells, or services such as insurance and cybersecurity.
- Recognise that these new models may change the way we live and work – but that can be for the better.

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- For more information, to receive an advance copy of the report, or to arrange interviews contact: Amy Barry on [amy@digacommunications.com](mailto:amy@digacommunications.com), +44 7980664397 (in Bonn 10 – 15 November).
  - [The Prince of Wales's Corporate Leaders Group](#) (CLG) brings together executives from a cross-section of European industry to accelerate progress towards a low carbon, sustainable economy. Through cross fertilisation of ideas and influential conversations with policymakers and peers, the CLG advocates forward-looking solutions that build a resilient and prosperous future. The CLG is convened by the University of Cambridge Institute for Sustainability Leadership.
  - The CLG brings together the following company leaders: 3M, Acciona, Anglian Water, BT, Coca-Cola European Partners, DSM, EDF, Ferrovial, GSK, Heathrow, Iberdrola, Interface, Interserve, Jaguar Land Rover, Philips, Skanska, Sky, Stora Enso, Tesco, Thames Water, Unilever, UTC.
  - Communications from the CLG benefit from the input of the entire group but do not necessarily require the formal agreement of all member companies.
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