



Mario Armero,  
Executive Vice Chairman of ANFAC

## // Strong in the face of a challenging and changing future

For ANFAC, 2018 has been one of the most challenging years since the crisis. We have been working in a changing scenario, where environmental protection, trade wars between geopolitical blocks and local and regional politics in Spain have become even more important, if that is possible. **We have been working as an association to help Spain retain its leading position in European car manufacturing** against a backdrop of changing conditions, while the industry undergoes the most demanding transformation in its history.

**The main element that has affected sales and production at the Spanish and European levels has been the effect of the new WLTP (Worldwide Harmonized Light-Duty Vehicles Test Procedures) and RDE (Real Driving Emissions) regulations** coming into effect in September 2018. These new tests are stricter and more complete than their predecessor, the NEDC, as they set forth a much more precise basis for calculating the actual fuel consumption of a vehicle and its CO<sub>2</sub> (WLTP) and particle (RDE) emissions. Manufacturers are fully committed to de-carbonising

our vehicle stock. They have worked hard to adapt to these new accreditations, but the transition has not been easy. These regulations coming into force led to sales of vehicles accredited under the NEDC being brought forward to the summer months, with a resulting fall in registrations in the following months to offset this effect.

As a result, **sales grew in the year as a whole by 7%, to 1.32 million vehicles**. However, this growth cannot hide the fact that sales started to fall in September due to the WLTP effect, and have not yet returned to a stable growth path. This downward trend which is more pronounced in the individual channel is influencing the current uncertainty of consumers, who are not clear about which car to buy, and who see the economic outlook for the coming months as being less promising than in the past. These decisions are further complicated by: more technologies being available to power vehicles, but with no uniformity in driving restrictions because of pollution; public demonstrations against diesel and petrol (going as far as a ban under the Climate Change



Mobility Forum and VEA Committee in Zaragoza

Act in the Balearic Islands, against which ANFAC has appealed); and the lack of adequate recharging infrastructure and stimulus plans for purchases of electric and alternative vehicles. It will be very difficult to reverse this trend if a scrappage plan is not approved in the coming months to foster consumer confidence when purchasing a vehicle, which will enable the renewal of the more than 15 million vehicles that are over 15 or 20 years old. If we want to improve the air quality in our cities and safety on our roads, these vehicles need to be replaced.

Vehicle production in Spain has also been impacted by the WLTP and RDE coming into effect. The difficulty of accessing engines approved under the new regulations, together with distortions in demand caused by the weakness in production, has also been compounded by lower sales in some major export markets, such as Turkey and the UK, because of their own particular difficulties. This resulted in a 1% fall in production to 2.82 million units, losing eighth place in the rankings of global vehicle manufacturers. This is worrying, but not desperate. **Spanish factories are now**

**adapting**, not just to these geo-political difficulties, which affect a sector that is highly export driven, but also to the changes affecting the industry in general, **towards shared, connected, autonomous electric vehicles**. ANFAC is working on its strategy as a sector and industry for the coming years, with a route map that will keep us strong in a future that is challenging but also replete with opportunities, in which we hope to achieve the agreement of the government, the autonomous communities, local administrations and society in general.

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