

AUTOMOTIVE DIALOGUE (AD)

Report for the

CTI ANNUAL REPORT TO MINISTERS

For AMM's information

(a) Key outcomes and achievements in 2022

The recent AD36 in Bangkok calls for member economies to consider the following policy recommendations;

1) To support the uptake of Electric Vehicles(EVs) APEC Governments can;

- **Develop policy frameworks that include:**
 - Mandates on CO2 vehicle emissions regulations and sales targets
 - Public, private and fleet EV charging and hydrogen refueling
 - Non-financial EV incentives (access to transit lanes, free parking & charging, information and awareness campaigns)
 - Government EV fleet procurement targets
 - Purchase Incentives
 - Accelerate the adoption of world class, international fuel quality standards
- **Develop strategies** to support manufacturing of clean vehicle motors, software, and batteries
- **Design curriculums** to support capacity development- re-training of auto industry trades
- **Ensure EVs** are maximized to be able to **support grid stability** with energy storage, microgrids where appropriate.
- **Cooperate** internationally and across industries to determine agreed charging standards and protocols
- **Adopt Carbon Neutral Fuel Strategies** to develop clean fuels for the existing vehicle fleet and PHEVs to decarbonize

2) To support a sustainable battery industry in the Asia Pacific, APEC Governments should;

- **Invest in Battery R&D** to incentivize innovation and tech break throughs
- **Collaborate to resolve supply chain issues** and minimize costs
- **Ensure** industry collaboration across the life-cycle so batteries are designed for easy reuse, repurpose, and recycling.
- **Create** a more diversified, stable and predictable source of materials for EV batteries
- **Develop international standards** for sustainable batteries and supply chains
- **Follow the best practice regulations for batteries** to ensure vehicle safety and train first responders
- **Reduce the demand for raw materials and minimize the risks** of geopolitical disruptions of the supply-chain
- **Develop a circular economy** model for batteries and EVs as a whole with systematic approach to benefit business, society and the environment.

3) APEC needs autonomous vehicle policy frameworks to;

- **Educate and inform** communities about the potential benefits of AVs and how risks are mitigated
- **Study legal and liability issues** arising from the manufacture, programming, and operation of AVs, but note there is not likely to be a one-size-fits-all approach
- **Protect** vehicle owners' personal data with appropriate safeguards while also allowing for its use to develop new features and content for the customer and grow the digital economy.
- **Ensure the free flow of data** to share learning, facilitate innovation, and reduce costs while ensuring consumer privacy and security
- **Guarantee intellectual property** as algorithms, sensors, and other technological innovations will become key to developing AVs

4) Shared vehicle, micro-mobility, and public transport policies are needed to reduce traffic congestion, accidents and air pollution. Economies can;

- **Provide seed funding** for start-ups and SMEs that lead to reducing transport issues

(b) Work undertaken by fora in the implementation of the [Putrajaya Vision 2040](#), including through the [Aotearoa Plan of Action \(APA\)](#)

The Auto Dialogue's implements the Aotearoa Plan of action by:

delivering on Trade and Investment by;

- Progressing liberalization of trade in goods by reducing unnecessary barriers, strengthening trade facilitation, and fostering regulatory reform
- Increasing trade predictability and openness by improving economies' transparency through trade measures and policies.
- Addressing key infrastructure gaps and enhancing connectivity by creating transparent regulatory environments, promoting dialogue, and sharing best practices
- Identifying and integrating new and emerging sustainable transportation and mobility technologies and services.
- Adopting new and emerging technologies to stimulate growth, connectivity and digital transformation

delivering on Innovation and Digitalization by;

- Supporting the identification and integration of new and emerging sustainable transportation and mobility technologies and services.
- Adopting new and emerging technologies to stimulate growth, connectivity and digital transformation

delivering on Strong, Balanced, Secure, Sustainable and Inclusive Growth by;

- Developing, encouraging and exchanging best practice policies, and by promoting capacity building programmes, that address all environmental challenges - including climate change - and support sustainable growth, such as through:
 - sustainable infrastructure and transport;
 - promoting sustainable growth across sectors and the development of cost effective low and zero emissions technologies,
 - seeking to deliver on existing Leaders' commitment to deliver a plan to reduce aggregate energy intensity by 45%, from 2005 levels, by 2035;

(c) Work Undertaken by the fora in response to Ministerial, SOM and CTI direction

- Nil

(d) Key Issues Under Discussion by the Fora (if any)

- See section A above

(e) Items to submit to Senior Officials or Ministers (if applicable)

- The Auto Dialogue asks Senior Officials and Ministers to receive a presentation on the recently published [APEC PSU Policy Brief “Policy Options for Decarbonising Transportation in APEC”](https://www.apec.org/publications/2022/09/policy-options-for-decarbonising-transportation-in-apec) and discuss how Senior Officials and Ministers can take onboard the recommendations in the policy brief to support the implementation of the APA. <https://www.apec.org/publications/2022/09/policy-options-for-decarbonising-transportation-in-apec>