

**AUTOMOTIVE DIALOGUE**  
*Report for the*  
**CTI ANNUAL REPORT TO MINISTERS**

**For AMM’s information**

(a) Key outcomes and achievements in 2024

- The recent AD 40 in Lima called for member economies to consider the following **Chair’s key policy recommendations in 4 areas** based on the discussion in AD 39 and AD 40.

**1. RESILIENT EV SUPPLY CHAIN IN APEC REGION**

- Identifying complementary sources to improve the predictability of supply chains and nearshoring.
- Developing strategies to integrate supply and demand between APEC members, especially focusing on the inclusion of emerging economies.
- Promoting cooperation in research and innovative technological development to reduce supplier gaps and improve quality and efficiency.
- Facilitating cooperation for the development of professional training in the automotive industry, according to trends related to electromobility

**2. CIRCULAR ECONOMY AND SUSTAINABILITY**

- Promoting transparency and predictability by creating a unified repository of standards for circularity and sustainability related to the automotive sector.
- Fostering decarbonization solutions by increasing the use of renewable energy sources and improving energy efficiency.
- Encouraging the reuse and recycling of certified components and parts within the automotive sector through the development of a reverse value chain for internal combustion engines (ICE), electric vehicles (EV), battery electric vehicles (BEV), hybrid electric vehicles (HEV), plug-in hybrid electric vehicles (PHEV) and fuel cell electric vehicles (FCEV).

**3. REGULATORY FRAMEWORK**

- Fostering harmonization of vehicle regulations within the APEC region, by promoting international standards alignment with the latest scientific, technical and economic information.
- Encouraging administrative simplification by streamlining administrative processes within authorities related to the automotive sector, in order to promote formalization and development.
- Supporting regulatory gap analysis by comparing regulatory frameworks between economies to create a dynamic and standardized regulatory framework.
  - Developing a program of economic and non-economic incentives to foster solutions in emerging mobility trends.

<p>4. CONNECTIVITY AND TRANSPORT INFRASTRUCTURE</p> <ul style="list-style-type: none"> <li>○ Enhancing infrastructure and connectivity solutions which fully acknowledge the special needs and requirements for all the users especially rural citizens, the disabled and women.</li> <li>○ Establish strategies to attract investments that enhance connectivity and infrastructure for electric vehicles (EV) and electric mobility, supported by an enabling regulatory framework.</li> <li>○ Recommending and promoting the use of autonomous and electric vehicles as connectivity logistics solutions within multimodal transportation corridors.</li> <li>○ Developing standards to establish robust cybersecurity and data protection protocols.</li> <li>○ Promoting alliances and initiatives to support the transformation and transition towards the development of smart cities.</li> </ul> <ul style="list-style-type: none"> <li>● The AD implemented one self-funded project: APEC Workshop on Autonomous and Electric Vehicles (AD 01 2021S)</li> </ul>
<p>(b) Work undertaken by fora in pursuit of the <a href="#">Putrajaya Vision 2040</a>, including through the <a href="#">Aotearoa Plan of Action (APA)</a></p> <p><b>(Trade and Investment)</b></p> <ul style="list-style-type: none"> <li>● The AD has made discussions related on resilient EV supply chain and trade-related regulatory issues affecting the competitiveness and sustainable development of the automotive industry in the Asia-Pacific region and include them in the Key Policy Recommendation.</li> </ul> <p><b>(Innovation and Digitalization)</b></p> <ul style="list-style-type: none"> <li>● The AD also shared the information on emerging technologies which promotes connectivity and digital transformation and had a discussion on Identifying challenges and opportunities in the use of alternatives energies which aligned with the APA collective action of “<i>Adopt new and emerging technologies to stimulate growth, connectivity and digital transformation</i>”.</li> </ul> <p><b>(Strong, Balanced, Secure, Sustainable and Inclusive Growth)</b></p> <ul style="list-style-type: none"> <li>● The AD’s work supports collective actions under the APA Collective action to “advance APEC’s circular economy work” by discussing EV Battery recycle and reuse and included related-policy recommendation in the Chair’s policy recommendation.</li> </ul>
<p>(c) Work Undertaken by the fora in response to Ministerial, SOM and CTI direction</p> <ul style="list-style-type: none"> <li>● The work of AD works as listed above is aligned with various decisions taken by APEC leaders, such as the Bangkok Goals on Bio-Circular-Green Economy, the San Francisco Principles on Integrating Inclusivity and Sustainability into Trade and Investment Policy.</li> </ul>
<p>(d) Key Issues Under Discussion by the Fora (if any);</p>

- The main discussion of AD 39 and 40 were reflected in Section (a). But there were also important discussions as below.
  - Smart cities and Sustainable Mobility
  - Best practices for maximizing the impact of their foreign direct investment (FDI)
  - Solutions for massive, rural and inclusive (women and disabilities) transportation – Security
  - Simplification, digitalization and formalization strategies to boost the automotive sector, including the advancement of autonomous vehicles

(e) Private sector / Stakeholder engagement and cross-fora collaboration in 2024 (if any)

- The Automotive Dialogue itself was formed as industrial dialogue as a public-private partnership forum. Each economy delegation includes members from both government and industry or related academia. This is a strength of the Automotive Dialogue. Not only each economy's auto manufacturers associations but also individual auto manufacturing companies attended the AD 40 meeting held in Lima, Peru.
- The AD 40 meeting which was held in August during SOM3 also fully utilized this unique strength of Automotive Dialogue and furthermore tried to reach out important regional NMP such as Brazil and Colombia.

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

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