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Statement by VDA-President Bernhard Mattes at the Public Hearing of the U.S. Department of Commerce on the Section 232 National Security Investigation of Imports of Automobiles and Automotive Parts

Berlin (ots) -

First of all, let me thank you for giving us the opportunity to speak today to this distinguished audience and explain the perspective of the German Association of the Automotive Industry, representing more than 620 companies - manufacturers of cars, vans, trucks, trailers, and automobile parts.

Personally, I have a long transatlantic history. For many years I had the privilege to head Ford's operations in Germany.

At Ford I learned about the responsibility that we share about the deep and longstanding ties that bind the automobile industry on both sides of the Atlantic. Instead of harming the United States' national security, the German automotive industry has proven to be an integral and vital part of the US economy.

Since the last recession, the US industry has experienced almost a decade of sales growth and growing employment in formerly deprived regions and this is not least because of German automobile manufacturers' investments in the United States.

Today, our members - manufacturers as well as suppliers - operate more than 300 plants in the US. We produce more than 800.000 cars "Made in the USA". We create over 100.000 high quality jobs - and this is in production only, with many more in supply services. In total, German companies are the fourth-largest foreign employer in the US and account for almost 10 percent of the total 6.8 million jobs created by foreign companies, with almost one out of every five German-created jobs being in the automotive sector.

Up to now we have invested more than 30 billion USD and additional investments of 5 billion USD just in the next four years have already been announced. For the German auto industry the US is not only a significant production location but an important strategic market and an export hub with more than 60 percent of our production being exported.

All this contributes to American wealth, prosperity and jobs, allowing this fantastic country's economy to grow.

Take communities like Spartanburg, South Carolina home of the largest BMW production facility worldwide, Tuscaloosa, Alabama home of Daimler; or the new VW manufacturing site in Chattanooga, Tennessee: In these communities, we have created well-paid jobs.

And even more we help these communities thrive. It is about more houses being built, supermarkets having more customers, the bakery at the factory entrance and the many philanthropic activities our associates undertake. We are part of the local and regional success stories, part of the communities.

Education is another very important aspect. We initiated dual education programs where our associates are trained on the job in parallel to their attendance of theoretical engineering classes in specialized training centers. We certify them and with enhanced skills, they have a perspective for a successful future. We feel as true American corporate citizens.

And we want to continue our commitment and contribution to the wealth of American communities.

And let me be very clear: Companies in our industry are so deeply intertwined that our fate is a common fate. Manufacturers heavily rely on open markets, due to our integrated and interdependent supply chains. We can either grow together - or fall together.

Additional tariffs will cut deeply into the tightly knit net between our companies. They would threaten our ability to export successfully out of the US and call future investment into question. Tariffs on US products will not only harm exports, but undermine competitiveness and strengthen other production locations with severe negative effects on investment and employment in the US. This scenario terrifies me - and things can be made worse by countermeasures which other countries could take. Such a scenario, rather than free trade between partners, is a risk to national security. US national security relies on its economic performance.

Therefore, we share ideas of lowering and eventually abolishing tariffs and other barriers to trade in the framework of a larger agreement between Europe and the US. We would appreciate if you and your partners in Brussels would proceed on this path. The EU and the USA together account for 50 percent of world trade. In light of fast growing new actors on the scene it is my firm conviction that we should shape the future together.

Our companies, manufacturers and suppliers, are passionate about and proud of their investment in the US. And let me add, we feel that we are part of the American Dream - because what our members share is passion and responsibility, bringing jobs, skills and prosperity to the US and its people.

Thank you very much for your attention and the opportunity to elaborate on our comments.

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