

**EU FUTURE
MOBILITY**

TASKFORCE

Mobilising Innovation: Mapping Europe's Path Towards the Future of Transport

Mobility is more than just transport

Mobility is more than just transport. It is about connecting workers to jobs. Consumers to goods. People to their loved ones.

Europe has been at the forefront of mobility innovations, and is home to leading global incumbents and innovative startups and scaleups. 5.3% of all Europeans work in the sector, which accounts for 5% of the EU's Gross Value Added. Mobility applications are transforming every part of our daily lives.

The future of mobility is promising, with new technologies challenging how we can move more efficiently, more quickly, more securely. In a way that respects the planet, and enables opportunities. Investors are betting on this better future, with investments exceeding €80 trillion in 2023 alone. However, achieving comfortable, affordable, reliable, non-emitting, and widely available mobility remains a challenge.

Europe stands at a crossroads, with traditional transport technologies hitting their limits, unable to meet the challenges of tomorrow, and innovative transport technologies currently built in Europe, often unable to scale and deliver value today.

Europe has in the past missed chances to lead globally in transport innovations. Yet, it can transform these into learnings to compete in the future. Europe has shown how it is possible to develop forward-looking regulatory approaches in sandboxes, or to support innovators through the European Innovations Council. Still, it needs bold ambition to truly unlock the potential of innovative mobility.

Europe can shape the future of mobility by putting forward bold policies to ensure that companies can develop, commercialise, and deploy unique technologies, infrastructure and business models which are the building blocks of this future.

As Europe draws its plans for 2030, European innovators building the future of mobility have come together to outline three key areas where Europe can - and must - do better:

01

On regulatory and market access, creating a level playing field that can enable new entrants to thrive.

02

On access to finance, overcoming institutionalised risk aversion and seizing the opportunities its capital markets present.

03

On engaging citizens and civil society, bringing together users, regulators, and innovators to design better policies.

Better regulation & market access

In shaping a cohesive regulatory framework across Europe, the EU institutions have played a pivotal role, particularly within the domain of transportation. Historically, the sector has been rooted in national jurisdictions, serving as a means to safeguard territorial integrity, as seen in the variance of railway gauges. However, with the easing of internal border controls, travel of citizens and the movement of goods within the EU has become increasingly seamless, leading to the emergence of innovative business models.

However, the European approach to transport varies from mode to mode, often due to the lack of proper implementation of EU legislation. Furthermore, the single transport market is threatened by a return of protectionism. This is particularly true since the COVID-19 pandemic, where governments extended significant financial aid predominantly to established industry players, distorting the market. In the current mandate, Europe successfully tackled the “gatekeepers” in the digital economy, boosting its strategic autonomy and unlocking competition. In the future, Europe can tackle “gatekeepers” in the physical world to unlock innovation, and create a single market for transport.

Creating a true single market for transport can allow startups to compete fairly with incumbents, create more value for mobility users, and scale innovative solutions in their own market. In order to avoid such distortions, and guarantee equal market access, we have three core asks:

01 Policy making should have innovation at its heart

Engaging a wide range of stakeholders from the outset of the legislative process is crucial in achieving this. The perspective of smaller players striving to compete against larger, state-owned enterprises on a level playing field will help the Commission support innovation, open markets for new mobilities, and be adaptable to new technologies and business models. This necessitates a regulatory framework that is harmonised, consistent, and inclusive to ensure fair competition and equal opportunities for all. This also entails making sure legislation is developed in a timely manner and that homologation processes are accelerated because the current time-to-market is excessively long for startups.

02 In a time of uncertainty, the European Commission must ensure predictability and stability

Irrespective of short-term political fluctuations, mobility businesses and investors require certainty and long-term planning. Innovation thrives on a stable and consistent vision,

providing the necessary confidence for investment in new technologies and infrastructure is essential for achieving transition targets within the European Union. Just as the current Commission has championed initiatives like the Green Deal and Sustainable and Smart Mobility Strategy, the next Commission should similarly outline a medium-term plan that articulates its vision for transport policy and offers a sense of direction with the goal of achieving the Single Market for Transport. For instance, this Single Market exists in aviation, offering multiple advantages to passengers and businesses, yet it falls short across all modes. The Task Force advocates for a Sustainable and Smart Mobility Strategy 2.0, where businesses should have equal opportunities. Hence, the Strategy should emphasise the role of innovation and new business models in shaping the future of the transport sector.

03 Europe needs a high-level transport coordinator & innovation advisory forum

Establishing a high-level transport coordinator within the European Commission is essential to effectively spearhead such endeavours. It is imperative to transcend Commission silos and adopt a holistic approach to address transportation challenges comprehensively. Additionally, appointing a designated individual to coordinate efforts on green mobility priorities would facilitate seamless collaboration with other departments and ensure that green mobility considerations are integrated across various policy areas. As a counterpart from the private sector, an advisory forum working on smart innovation in the transport sector could be established permanently and be a key interlocutor providing the high-level transport coordinator with insights from the start-up sector.

CHAPTER 02

Access to finance

Without reliable financing, startups cannot innovate or scale. However, Europe's financing landscape lags behind other developed economies. One of the reasons for this is structural risk aversion among both public and private funding institutions, unnecessary administrative burden, and overly restrictive regulations for institutional investors.

The good news is that this is a relatively simple problem to solve. Europe already has the capital markets to finance the future, the question is how best to put them to work. We think there are three things Europe can do now to close the gap and maintain strategic autonomy in a key field of innovation - mobility.

01 Europe needs to increase the level of public investment it makes in mobility startups and mid-caps

and ensure that those funds are made available without undue administrative burden that might discourage them from applying. Co-financing infrastructure projects should be prioritised to incentivise scale. Barriers preventing Deep Tech companies and SMEs from accessing EU financing initiatives should be removed. Better use must be made of the European Investment Fund as a partner in European venture funds. At least half of EIF-backed investments should go to companies operating within strategic industries, including mobility and transport. EIC Accelerator financing should emphasise scale and industrialisation, guided by a vertical industrial strategy to guide EIC experts and investors.

02 Europe needs to unlock the power of its private capital markets

Retail investors should have access to Venture Funds supported by tax incentives, facilitating investments in early-stage businesses and projects, such as Venture Capital Trusts in the UK. Access to venture capital instruments should be extended to pension funds, which constitute a significant proportion of private investment in Europe. US pension funds account for about 27% of the US investor base, whereas German pension funds account for less than 1% of the investor base in German startups.

03 Europe needs to think about Europe first

Given the support provided by the US and Chinese governments to their domestic industries, Europe must do likewise to ensure that European businesses can compete at global level. European state aid rules should be reviewed, specifically for companies operating in strategic sectors. Adopting a parity approach, where an EU competitor receives subsidies proportionate to those received by their US counterparts, ensures a level playing field and enables EU companies to thrive in the global market.

CHAPTER 03

Engaging citizens and civil society

Innovation is a powerful force for progress, driving the disruptions that can pave the way for more sustainable and efficient mobility. Though, as with every technological transformation, disruption can unsettle users unfamiliar with new mobility, regulators cautious of striking the right balance, and incumbents wary of competition. Innovation is often perceived as a

necessary evil to deal with the climate crisis.

Yet innovation is unstoppable. Inevitable. Innovation in mobility doesn't just challenge the status quo; it can give users a better understanding of their options. Empowers regulators, giving them a broader toolkit to address local challenges effectively. Creates a win-win scenario for incumbents, who can discover new opportunities for growth and collaboration. Innovation in mobility can inspire, and motivate.

To truly unlock the transformative power of innovation, we need policies that increase trust, that involve the entire mobility ecosystem, that enable and inspire everyone for a brighter future ahead:

01 Promoting science-based information

Innovative mobility solutions can lower emissions, improve efficiency, create new options for users, and improve the quality of life across Europe. Yet, many of these disruptions are often met with scepticism and false perceptions, with innovators having not only to educate users about their products, but also to combat active misinformation. Educating users is the role of companies, yet fighting disinformation requires partnering with public authorities. Promoting clear, science-based information that counters myths and addresses public concerns can make the difference between success and failure for innovators. Empowering public authorities and expert bodies in putting out clear and understandable data can help with “Pre-Bunking” misinformation and increase trust in new technologies.

02 Involving all stakeholders in policymaking

Integrating new mobility solutions into broader mobility planning is essential for developing sustainable, efficient, and forward-looking transport in the EU. This integration not only enhances accessibility but also promotes options that can improve the quality of life for all Europeans. As part of the Sustainable Urban Mobility Plans (SUMP) process, the European Commission should further guide authorities in enhancing the dialogue between incumbents, new entrants, civil society, and the general public. Clear guidance on how this dialogue takes place, and ensuring the role of innovators in the discussion, can lead to more inclusive, people-centric and forward-looking mobility policies.

03 Enabling and inspiring people for the future

Mobility innovations are not in a vacuum, but operate within an existing mix of transport options. Users should find it as easy to access new and innovative mobility options as existing solutions. This is possible by putting forward policies that make any transition—between

different modes, between old and new—seamless. The EU should champion user-centric policies that promote the integration of new options to create a robust mobility ecosystem. The future of mobility is bright and inspiring. Entering a new era where solutions once dreamt in science fiction will be a part of our reality. Establishing an EU-backed annual Future Mobility Day, as part of the European Mobility Week, can help innovators demonstrate how their innovations can create options, solve problems, and integrate into the mobility ecosystem. Most importantly, it involves getting people to see new mobility solutions in action, helping them reflect on their mobility options, and—why not—dreaming about tomorrow.

About the EU Future Mobility Taskforce

We are 18 mobility companies born and bred in Europe, innovating the future of mobility and making it a reality in over 60 countries around the world today.



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