

Press release

EU Automotive Package advances debate – yet leaves critical industry issues unresolved

16 December 2025 - The European Commission’s newly announced Automotive Package makes a first positive step towards technology neutrality. But overall, the suggested measures are too complex, do not do enough to address the crisis of the automotive sector and fail to safeguard European production and jobs against international competition. Critical concerns raised by the automotive supply industry remain unresolved.

The package opens possibilities for plug-in hybrids, range extenders, and ICE vehicles to remain part of the automotive landscape beyond 2035. It adjusts the climate target from full CO₂ neutrality to 90% by the same year. The remaining 10% is only flexible if it is offset through low-carbon steel, e-fuels or biofuels. This represents a constructive step forward and is in line with the EU’s climate goals – but it is also a complex and potentially costly solution.

The reduced target constrains market actors and limits the flexibility that many automotive suppliers require. In practice, only a small subset of companies will benefit from the additional leeway. Moreover, the “Made in EU” provisions in the CO₂ Regulation revision apply exclusively to small zero-emission vehicles, meaning their overall impact will remain limited and is not fit to ensure that production stays in Europe – a key interest for several EU member states.

“Today’s package reconfirms Europe’s long-term climate ambition for road transport but with its wealth of detailed obligations it risks creating complexity, additional cost and falls short of setting out the path for a realistic transformation,” said **Benjamin Krieger**, CLEPA’s Secretary General. “While ambitious fleet targets and local content policies reflect a strong desire to accelerate electrification and bolster resilience, such measures lose their effectiveness without clear, technology-neutral pathways. Instead of fostering competitiveness, they risk narrowing opportunities, undermining Europe’s ability to lead in the global automotive race.”

CLEPA awaits further clarity in the upcoming Industrial Accelerator Act, planned for January 2026, while urging the Commission to consider key concerns raised by automotive suppliers.

Europe's automotive supply chain faces mounting pressure from global competition, and CLEPA calls for robust local content policies to safeguard jobs and investment. Without action, up to 650,000 jobs could be at risk by 2035 from supply chain-offshoring. We urge the Commission to align climate rules with industrial safeguards, ensuring Europe remains a leader in sustainable mobility while protecting its manufacturing base.

In parallel, a technology-neutral framework that fully recognises the role of electrification, hybrids, and renewable fuels in achieving climate neutrality is essential for ensuring CO₂ emission standards that help meet our environmental goals without undermining competitiveness or consumer choice.

CLEPA welcomes incentives to accelerate the uptake of zero-emission vehicles in corporate fleets, while we caution against rigid mandates that could undermine industrial competitiveness. Limiting European local content to vehicles benefiting from public financial support is again reducing the impact of this measure.

We had hoped to see more from the European Commission, considering the noticeable support in European Parliament and the Council for a bolder approach. We look forward to continuing the dialogue, based on the final text, mapping the solutions that help safeguard jobs and competitiveness in the automotive sector. Climate ambition must be balanced with industrial resilience, securing Europe's role in sustainable mobility.

About CLEPA

CLEPA, the European Association of Automotive Suppliers based in Brussels, represents over 3,000 companies, from multi-nationals to SMEs, supplying state-of-the-art components and innovative technology for safe, smart and sustainable mobility, investing over €30 billion yearly in research and development. Automotive suppliers in Europe directly employ 1.7 million people in the EU.

Interested in more information?

You can contact us at communications@clepa.be