



Brussels, 6 September 2023

Joint call to stimulate the European automotive industry's transformation and enhance competitiveness

Mrs Ursula von der Leyen, President
Mr Maroš Šefčovič, Executive Vice-President
Mr Thierry Breton, Commissioner for Internal Market

Dear President,

The signatories of this open letter support the European Commission's renewed focus on a competitive automotive industry in Europe and wish to thank you for the constructive dialogue.

All signatories represent the broad spectrum of the automotive value chain and are committed to shaping the green and digital transition. We proactively contributed to DG GROW's transition pathways exercise. Since DG GROW initiated this exercise, geopolitical challenges have put additional pressure on the decarbonisation of transport.

Failure to act now within the current mandate risks further delays that will inevitably undermine the European automotive industry's transformation and competitiveness. It will also put at risk employment in an industry that generates more than 13 million jobs in the EU. The European Commission must urgently establish a robust framework to manage these challenges and prioritise six key actions.

I. Develop a robust industrial strategy

China provides a telling example of a targeted industrial strategy supporting a globally competitive, domestic auto industry in electromobility. The US Inflation Reduction Act also shows that a robust industrial policy framework can trigger hundreds of billions in private investment. The EU must develop a robust industrial strategy that guarantees a level playing field (outside and within the EU), provides a stable investment environment and fosters a competitive automotive industry and industry manufacturing in Europe. This includes a competitive regulatory framework, the availability and simplicity of financial resources to stimulate industrial investment in innovative green and digital technologies and production methods in Europe with guarantees to ensure the retention and creation of quality jobs while ensuring fair distribution of profits and not surpassing the needs of the SMEs. A crucial pillar of a robust industrial strategy will be to secure reliable energy sources at competitive prices, which will reduce costs for citizens and businesses.

II. Scale up a European zero emission market and battery value chain

Achieving road transport decarbonisation depends on the entire value chain for zero-emission vehicles. In addition to the Critical Raw Materials and Net-Zero Industry Acts, the EU needs a strong response to the US Inflation Reduction Act (IRA) to boost investment in the European battery value chain and other components that are crucial to improving the environmental performance of vehicles. Europe should reduce dependency on critical parts of the value chain from third countries. The regulatory framework for batteries, drive trains, recyclability, and circular economy must be clear, coherent, and stimulate investment in Europe. Support for the battery and drive train value chain should be complemented with a robust hydrogen strategy, both with regard to industrial and mobility applications.

III. Ensure a stable and coherent regulatory environment for the sector

The current fragmentation of the EU regulatory framework for the sector creates a context of uncertainty that undermines investment and weakens market demand. The EU should complete the Single Market (including the recharging and refuelling infrastructure as well as electricity) and remove barriers for cross-border trade.

The Commission should make proposals to streamline and better articulate regulations, reaffirming the importance of technological neutrality supporting innovation and competition. The Commission should also conduct extensive impact assessments and competitiveness checks before proposing new regulations, including closely monitoring investment and innovation capacity. In particular, restrictions on the use of substances critical for the performance and durability of batteries, semiconductors, and other critical technologies should be assessed carefully.

VI. Enhance the skills agenda and Just Transition framework

The green and digital transformation must go hand in hand with a Just Transition. The EU must champion a transformation roadmap, especially for regions reliant on the automotive sector. The automotive social partners, [European Automotive Regions Alliance](#) and [Automotive Skills Alliance](#) should play a leading role in this transformation plan. The Commission should also do more to boost digital skills for a high-tech auto industry.

V. Improve transport affordability

The EU should ensure affordable and sustainable mobility for all while industry is intensifying its efforts to produce vehicles and services affordable to all. Coordinated incentives should support green investment and repairability across the full aftermarket chain, eg vehicle acquisition in new and second-hand markets. Incentives can enhance affordability, especially as rising costs have eroded European purchasing power.

VI. Ensure a global level playing field

Automotive and two- and three-wheeler vehicles provide good examples of changing global trade relationships. State aid policies in third countries put European manufacturing competitiveness at risk. Diversification of the supply of raw materials should be a central pillar of the EU's trade strategy, including the ratification of existing trade agreements and the negotiation of raw material partnerships.

The signatories of this open letter recognise the critical situation for the European automotive industry. We are committed to decarbonising transport and keeping jobs and automotive manufacturing in Europe. The European Commission should take account of these challenges, and we hope we can jointly secure the European automotive industry's transformation and European welfare.

Yours sincerely,

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[Clean Power, 31 July 2023](#)

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CECRA, established in 1983, is the European federation bringing together national professional associations, which represent the interests of motor trade and repair businesses and European Dealer Councils. CECRA represents on a European scale 336,720 motor trade and repair businesses. Together they employ 2.9 million people.