



Building a future for the European Automotive Industry

Brussels, 29.01.2025

Dear Commission President von der Leyen,

Dear participants of the Strategic Dialogue on the Future of the European Automotive Industry,

The EU automotive industry accounts for 6.1% of total EU employment and 7% of EU's GDP, and is hence of enormous importance for the European economy and social cohesion. The powerhouse of European industry is however facing severe challenges to adapt to the accelerating global race for electro mobility. China has come to dominate the EV market, and is, supported by unfair state aid, rapidly increasing their production and decreasing prices.

For now, Europe is not keeping up. With suppliers of car components struggling, announced car factory closures, and 12 out of 16 planned European battery factories having been delayed or cancelled, the crisis is deepening. In that case, it has been precisely those car factories that produce electric cars and so offer jobs for the future that have been closed. Europe, therefore, has to launch a counter-strategy. Wavering and waiting is not an option. We must ensure a clean future for the automotive industry in Europe, not build on the technologies of today, but as a vibrant clean tech sector of tomorrow. To do that, we need to boost the rollout of electric vehicles and create good and clean jobs.

In this context, we welcome the launch of Strategic Dialogue on the Future of the European Automotive Industry, and with this letter, we want to provide five priorities for the European automotive industry to become successful in electro-mobility and survive.

1. **Provide investment certainty:** any hesitation and delay will put us further on the backseat of the transition and crowd out the investments that are urgently needed in the domestic electro-mobility value chain. The Dialogue should therefore not assess options to adapt the agreed CO2 standards and rules governing the fines. Instead, it should identify solutions to facilitate full and timely compliance.
2. **Boost demand for affordable EU electric vehicles:** the Dialogue should lead to the adoption of EU and coordinated national measures to boost demand for made-in-the-EU electric vehicles and to make electric vehicles affordable for medium- and low-income consumers. The promised EU legislation for the electrification of corporate fleets must come swiftly and function as a leadmarket for European produced electric cars, so that effects will be seen already in the next year.

Social leasing schemes to enable poorer households to afford electric vehicles are the low-hanging fruits. The Commission has already recognised the value of such social leasing schemes. It should now go a step further and consider establishing an EU social leasing scheme, or alternatively steer the establishment of coordinated and consistent social leasing schemes by Member States in order to avoid fragmentation that would be cumbersome for OEMs to assess.

Such targets and schemes should be designed to favour the purchase and use of domestically produced vehicles. Sustainability and resilience criteria should be introduced in all public support measures for electro mobility.



3. **Ramp up deployment and efficient use of charging infrastructure:** The Dialogue should assess how to deploy charging infrastructure faster by way of scaling up funding whilst ensuring charge points are consumer friendly at the point of use. Charging prices across Europe are often excessively high, and the Commission must urgently clarify what is reasonable as detailed under the AFIR Regulation. Furthermore, the Commission should consider launching an investigation into the pricing mechanisms for charging infrastructure. With the EU AFIF nearly exhausted, the next Multiannual Financial Framework (MFF) should ensure more funding for the expansion of charging infrastructure. Simultaneously, the Dialogue should identify measures to speed up permitting and streamline the integration of charging infrastructure into the electricity grid.
4. **Build a resilient European electro mobility value chain,** from raw materials to recycling, and EV chargers: more public funding, including from the EU for example in the form of guarantees and of support for high-risk investments, is needed, and it has to be distributed efficiently and quickly by properly trained and staffed public administration. The EU needs to establish EU-level coordination of key investments as well as an EU-level framework for market access rules for foreign investors, which include joint venture and technology transfer requirements and better screening of foreign investments. The EU needs to strengthen cooperation with global partners to diversify supplies.
5. **Secure a future for workers:** the Dialogue should foster proactive and effective anticipation and management of change by the automotive industry, through early and effective information, consultation and collective bargaining. It should identify future skills needs and explore upskilling and reskilling opportunities to prevent job cuts. It should assess ways to provide workers affected by job cuts with adequate compensation, retraining opportunities and support workers to find new employment. Public funding should always be conditional on companies' protection of workers' rights, proactive anticipation and management of change, and reinvestment and/or use of the profits to protect workers.

We request the Commission to guarantee a balanced interest representation in the Dialogue. As well as full transparency, with the publication of participants' lists, meetings and meeting reports including conclusions and recommendations. Finally, we request an exchange of views on the Strategic Dialogue with the Commission President with the concerned Committees at the end of the process, and in case the dialogue takes longer than three months, we request regular updates by high-level representatives of the Commission.

We wish the participants a successful launch of the Dialogue and look forward to exchanging ideas.

Michael Bloss MEP

Maria Ohisalo MEP

Reinier van Lanschot MEP

Lena Schilling MEP

Kai Tegethoff MEP

Benedetta Scuderi MEP

Anna Cavazzini MEP

Jutta Paulus MEP

Bas Eickhout MEP

Sara Matthieu MEP