EU and Automotive

Perspectives & Frameworks

17 October 2025

ECG Conference 2025, Amsterdam

About FIPRA

FIPRA

25th Anniversary 2000-2025

FIPRA is a public affairs agency at the intersection of **business, politics and policy**.

We champion our client's goals to deliver value and a win-win with stakeholders in a world of change.

Independently operated from Brussels and backed by a global network, we're everywhere you need to be.

Agenda

- Global perspective
- European perspective
- European policy frameworks

Global perspective

Growing divisions

Global

Geoeconomic confrontations

- Intensifying global divisions are reshaping trade dynamics and economic alliances.
- Strategic decoupling and protectionist policies are challenging EU industries' ability to compete globally.

Defense – state armed conflicts

- The resurgence of state-based armed conflicts is redefining Europe's security priorities.
- EU defense policy is undergoing repositioning through initiatives like SAF and EDIP to respond to evolving threats.

Political uncertainties

- A societal drift toward populism in Western democracies is creating volatility in policymaking.
- Fragmentation within the EU governance structure raises questions about its capacity to act decisively.

Changing realities

Global

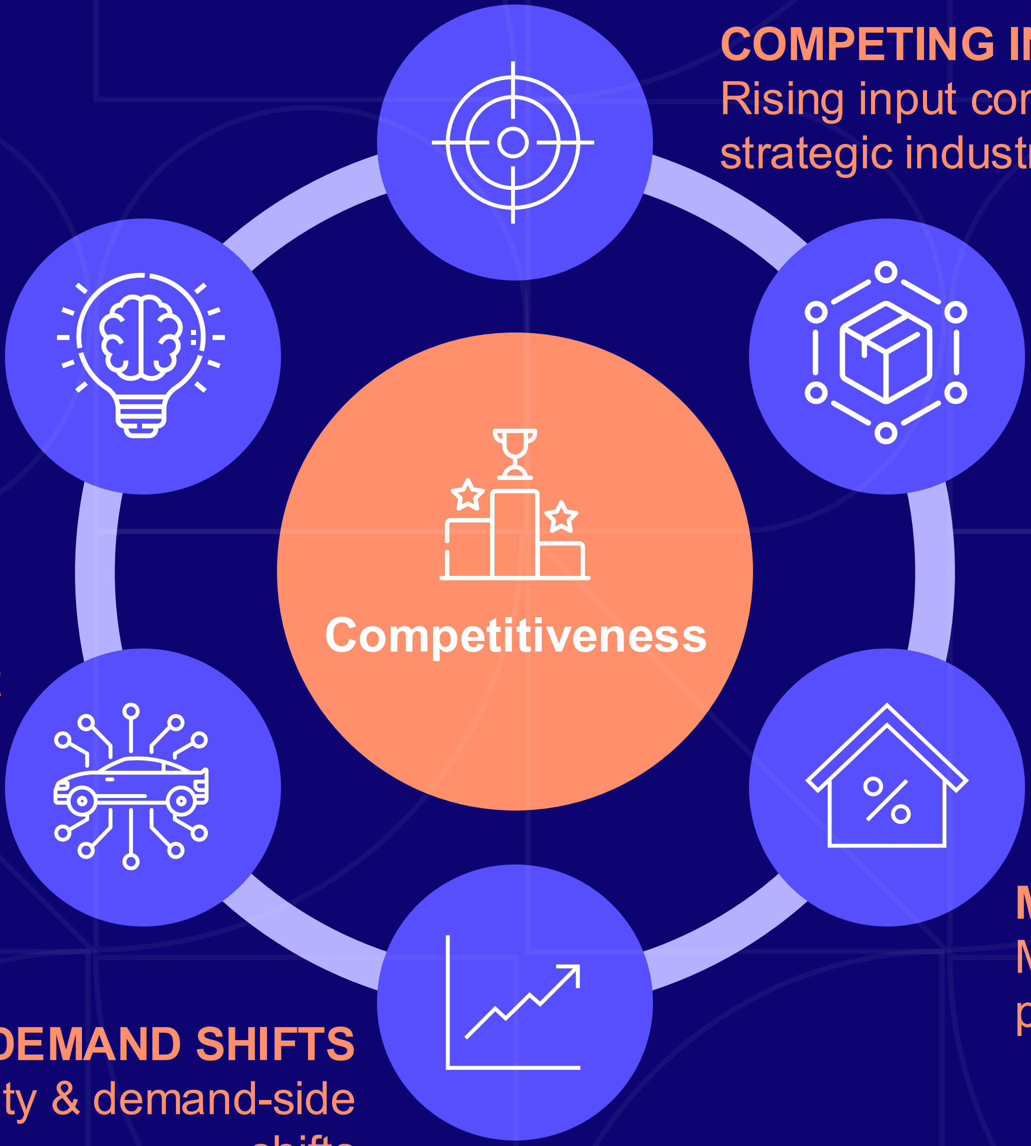
Asia Power – China, Russia, India

- The rise of China, India, and Russia signals a shift toward a multipolar world order.
- Europe’s strategic autonomy is increasingly tested by Asia’s assertive geopolitical and economic positioning.

Disruptive technologies – AI

- Artifical Intelligence is a transformative force, reshaping industrial competitiveness and regulatory frameworks.
- The EU faces a dual challenge: harnessing AI for innovation while safeguarding ethical standards and market stability.

NEW WORLD ORDER – Impact on automotive



COMPETING INDUSTRIES
Rising input competition from defence and strategic industries

OPERATION
Operational risk growth – cyber, shocks and labour constraints

SUPPLY CHAINS CHANGES
Supply chains fragmentation & nearshoring

PRODUCTION TRANSFORMATION
Faster software/AI-driven product transformation

MARKET RESTRUCTURING
Market restructuring by emerging players and new entrants

DEMAND SHIFTS
Market volatility & demand-side shifts

European perspective

Europe’s challenges

Geopolitical reinvention in the new geopolitical landscape

- The EU is pivoting from a purely green agenda toward a broader focus on competitive and strategic autonomy.
- This shift reflects a tension between visionary goals and market realities that challenge implementation.

- The Draghi report underscored that Europe is not competitive enough, especially in the face of global economic fragmentation.
- It calls for transformative policies to help EU industries adapt and thrive amid rising global divisions.

Europe’s challenges

Strategic autonomy

Europe is navigating a complex geopolitical landscape that demands greater independence in industrial and defense capabilities.

CID support the twin goals of carbon neutrality and global competitiveness, reinforcing Europe’s industrial sovereignty.

Europe’s challenges

We need more Europe, but Europe remains FRAGMENTED

‘Does Europe have the stomach for this fight? Do we have the unity and the sense of urgency? The political will and the political skill to compromise? Or do we want to just fight between ourselves? To be paralysed by our divisions.
My pitch today is a pitch for unity.’

Actual challenges for **European industry**

More regional production and inventory buffers

Manufacturers will accelerate nearshoring and build redundant sourcing for key parts.

Higher unit costs

Tariffs and re-shoring raise per-vehicle costs while investments in EV and software increase fixed costs.

Value shift from hardware to software & services

OEMs that onlyown software stacks, data and OTA capabilities capture more margin; suppliers focused on mechanical components see margin compression.

Capacity pressure in adjacent sectors

Shared suppliers will face allocation decisions; some suppliers may pivot or dual-use (automotive <-> defence).

Higher frequency of disruptive events

Cyberattacks, tariff announcements and export controls will require more sophisticated contingency planning.

European Policy Framework

Does it help the Automotive Industry?

What is the future of the Automotive Industry?

European Policy Framework

*I believe **Europe should have its own E-car**.*
*E for environmental, E for economical, E for European. No matter what, the future is electric. And Europe will be part of it. **The future of cars – and the cars of the future – must be made in Europe**.*

Clean Industrial Deal

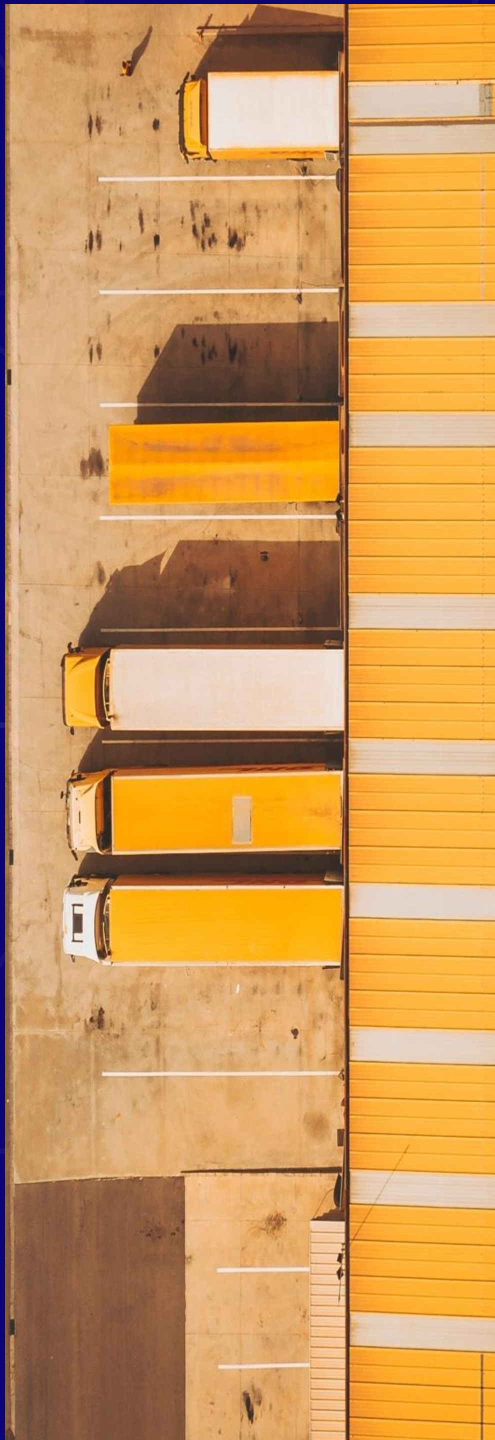
- Published on 26 February 2025
- Refresh on the European Green Deal
- Supports industries in their transition to carbon neutrality while enhancing their global competitiveness

Action Plan for the European Automotive Sector

- Published on 5 March 2025 as sector-specific implementation of the **CID**
- Launch of a European Alliance for Connected & Autonomous Vehicles
- 1.8 billion EUR investment to secure battery raw materials
- Regulatory simplification package for the automotive industry
- Small Affordable Car Initiative

Clean Corporate Fleets Regulation Proposal

- Flagship of the **CID**, due by end of 2025
- Replacement of the Clean Vehicles Directive
- Key objective: promote shift to zero-emission vehicles within corporate fleets

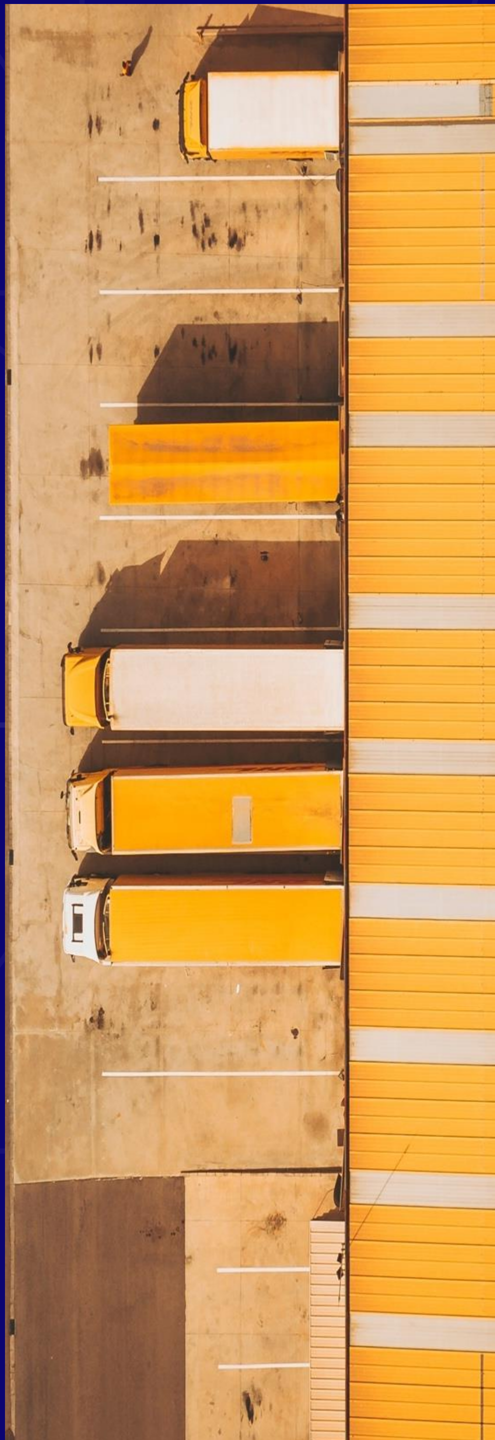


Various meetings & activities on all levels to support industry:

- Dialogue HDV/Energy sector with Commissioners for Transport, Energy, Climate to enhance charging infrastructure
- Competitiveness Council 29.09
- Letter Italy/Germany 07.10.
- German Automotive Dialogue 09.10.
- Ongoing review of the CO2-regulation

Key recommendations by Truck manufacturers:

- Enhance and expedite the rollout of charging infrastructure, esp. along TEN-T corridors
- Accelerate the review of HDV CO2-regulation to early 2026
- Lower penalties for HDV OEMs
- Holistic strategy for and fast track implementation of enabling conditions, i.e. ETS2 in all Member States, Eurovignette, Weights & Dimensions, Clean Corporate Fleets Regulation Proposal



Clean Corporate Fleets – Call for Evidence

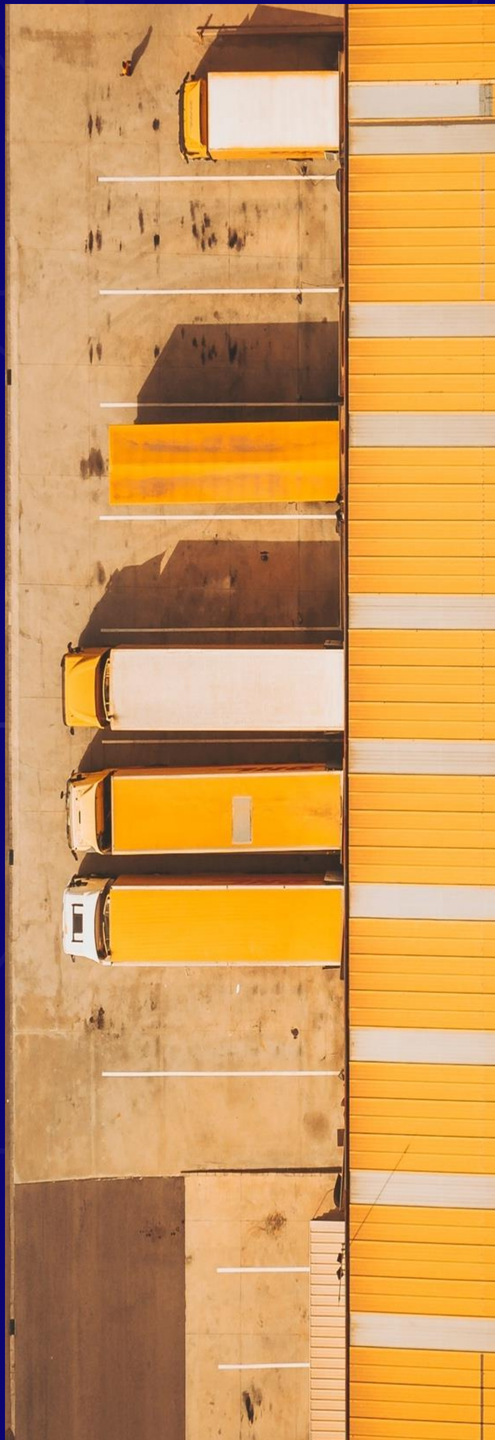
- Quotas and policy-driven approach contested

3 resonating requirements:
1. Standardized emissions reporting
2. Voluntary adoption with infrastructure funding and tax measures
3. Market-driven approach involving transport operators and shippers

Feedback snapshot:

- **Retailers:** *'Predictable fiscal measures. Zero-emission trucks remain far costlier than diesel. Harmonized, long-term incentives such as capex support, accelerated depreciation and CO2-differentiated tolls are needed.'*

- **Automotive suppliers:** *'Advising against mandatory quotas, deeming them a massive intervention in corporate fleets that would impose additional burdens on companies already incentivized by ETSII, CSRD reporting, etc. to reduce CO2.'*



Weights and Dimensions Directive – State of Play

- EP adopted position in March 2024
- Danish Presidency aims to reach Council's general approach at the Transport Council 4 December 2025

Commission's Proposal:

Article 8c:

Vehicle transporters with open bodies may exceed the maximum lengths laid down in point 1.1 of Annex I while loaded, up to a total of 20,75 meters, using authorized load supports.

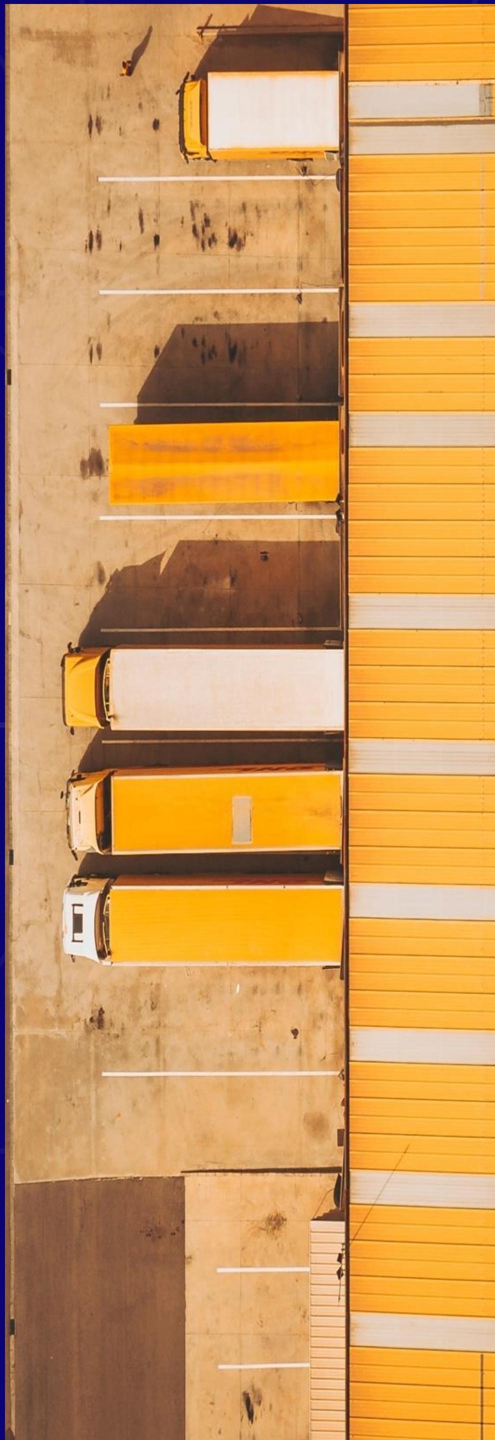
Parliament's Position:

Article 8c:

*Vehicle transporters ~~with open bodies~~ may exceed the maximum lengths laid down in point 1.1 of Annex I while loaded, up to a total of 20,75 meters, using ~~authorized~~ load supports, **such as extendable load supports**.*

Member States:

- Discussions focus mostly on weights
- Progressive?: Nordics (FI, SE, EE), IT, BE, DE, NL
- Conservative?: FR, BU



Thank you !

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