A Competitive & Sustainable Future for Europe’s Automotive Industry.

Dr. David Storer
CLEPA R&I Director

European Automotive Suppliers at a glance.

75% of the value of a vehicle comes from its parts, components and systems

32 % of total **R&D investment** In the EU comes from automotive, making this industry the top private investor

€30 billion are invested yearly in research and development

1.7 million direct jobs generated across the EU

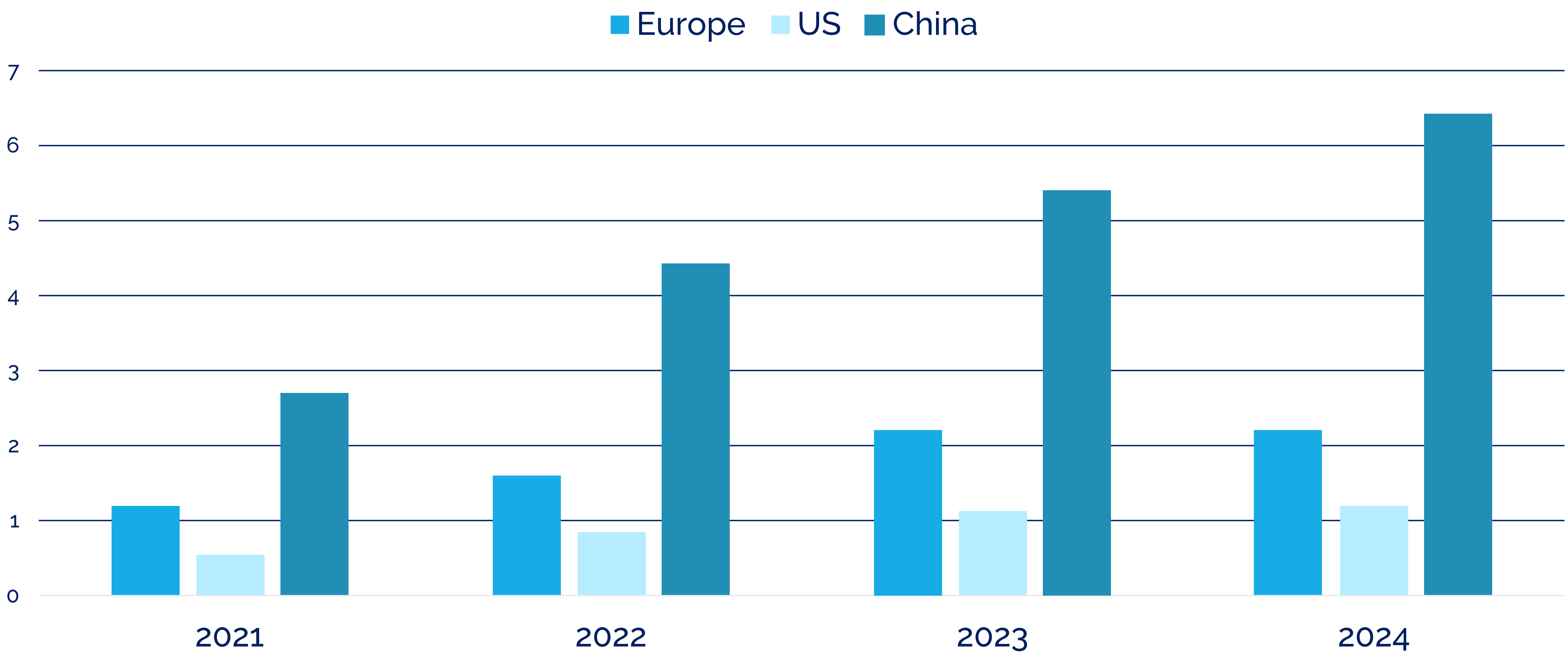
+39,000 new patents are registered each year

€26.7 billion trade surplus generated in 2023

Competitiveness landscape.

BEVs* sales (millions): 2021-2024

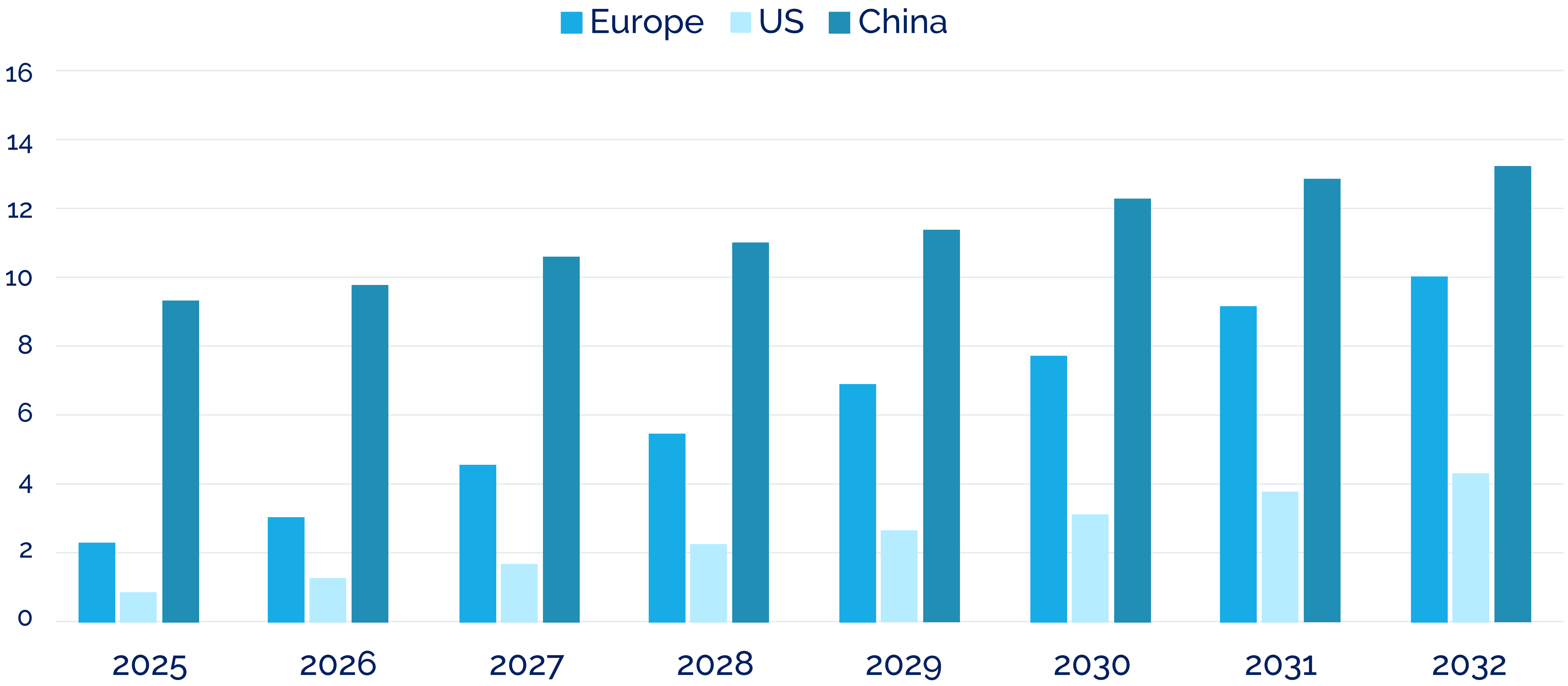
*BEVs: Battery Electric Vehicles



IEA – Global EV Outlook 2025

BEVs* forecast production (millions): 2025-2032

*BEVs: Battery Electric Vehicles



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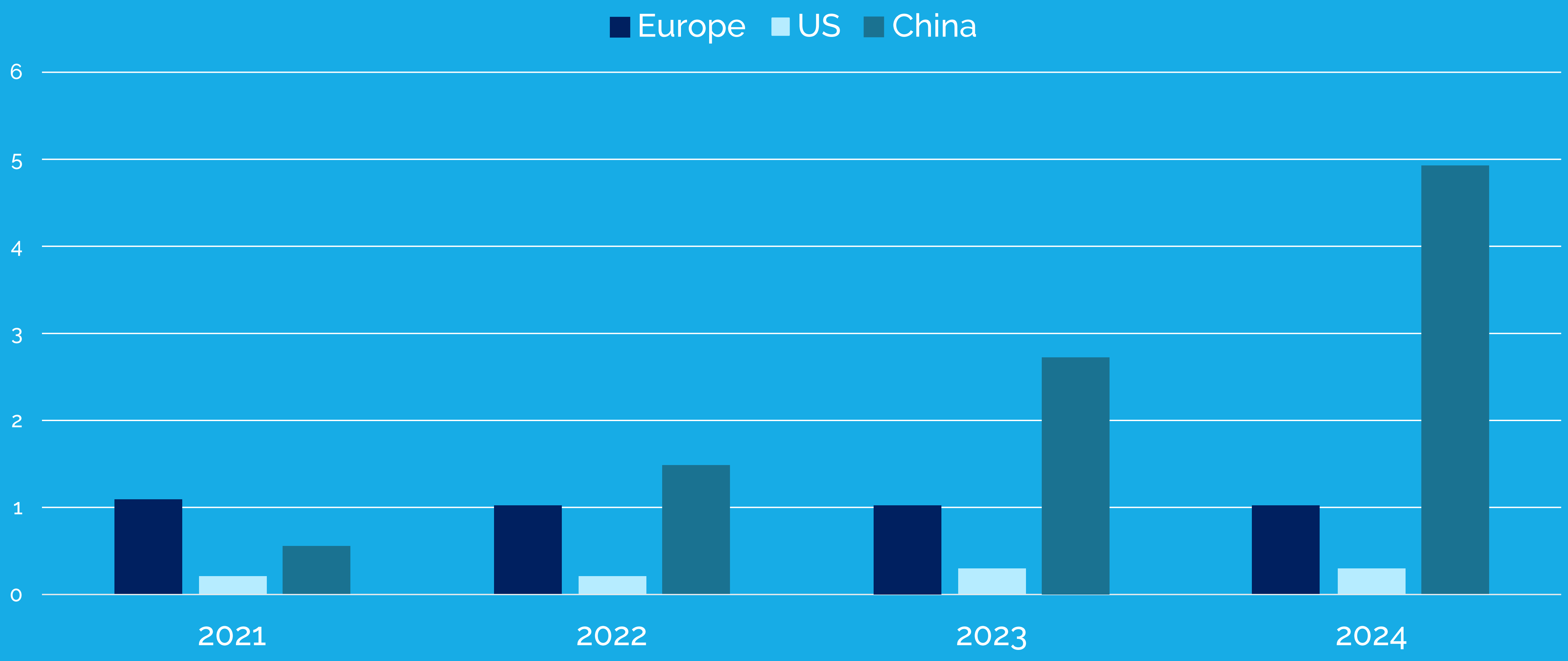
PHEVs* sales (millions): 2021-2024

*PHEVs: Plug-in Hybrid Electric Vehicles.



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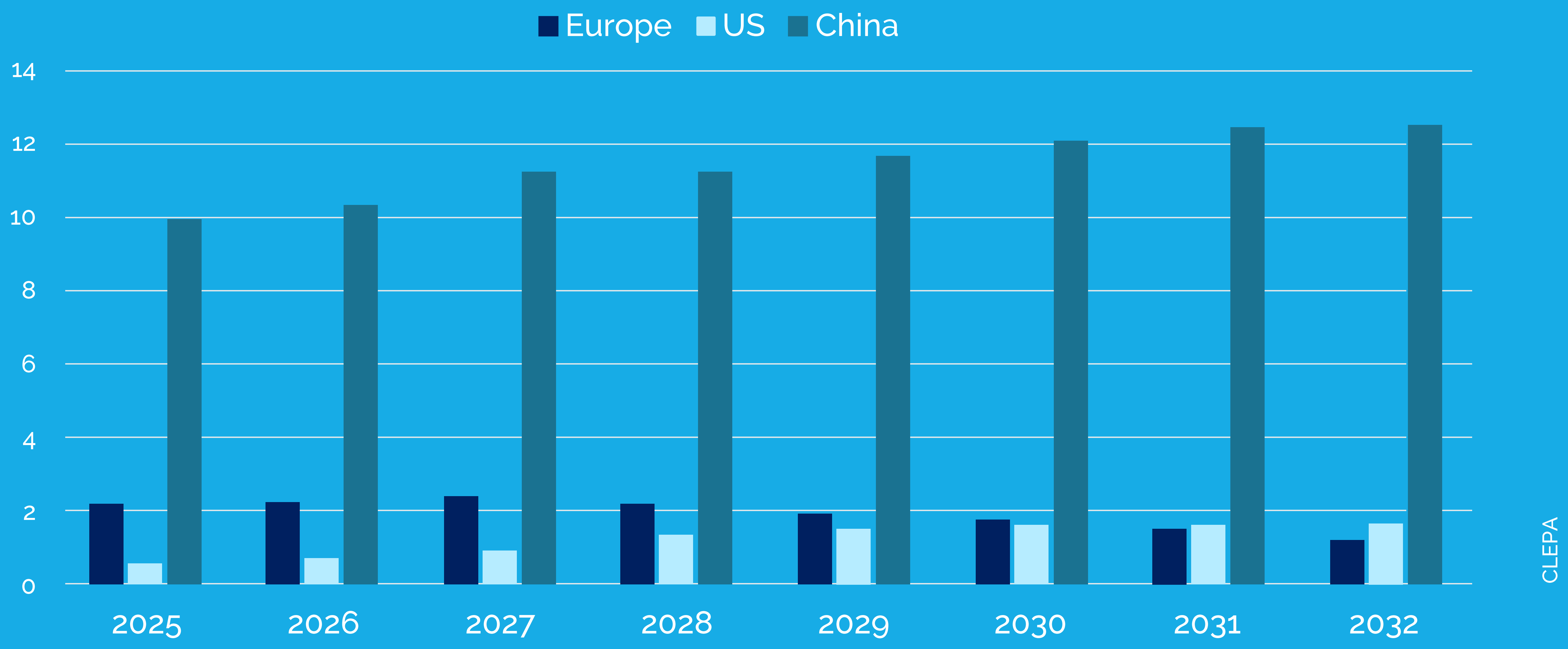


China

· Subsidy framework.

· Control of raw materials and export limitation.

· Produces 5 times more PHEVs* than Europe.

· Exports around 40% of global EVs**.

*PHEVs: Plug-in Hybrid Electric Vehicles. **EVs: Electric Vehicles (BEV + PHEV).

US

· Application of the Inflation Reduction Act for EVs until tax credit cut by Trump's administration on Sep 30th.

· Use of tariffs to favour domestic EV production and strengthen local supply chains.

Europe

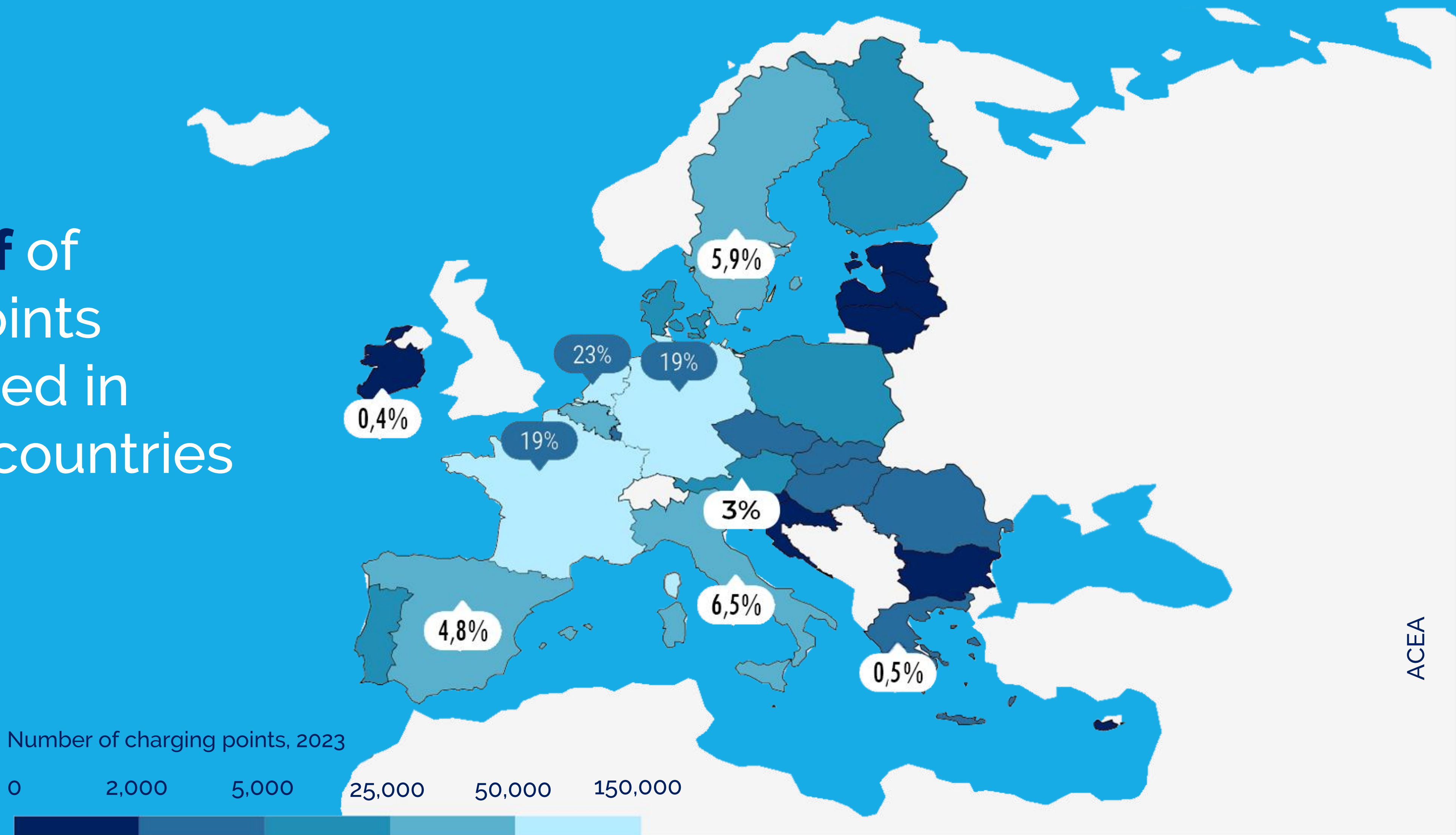
- Slow development of re-charging infrastructure.
- High costs.
- Slow market take up.
- Fragmentation and geographic imbalance.
- Regulation landscape.
- Lack of essential raw materials.

Challenges in electrification.

{ Slow development of re-charging infrastructure }

Distribution of electric car charging points across the EU

More than half of all charging points are concentrated in only three EU countries



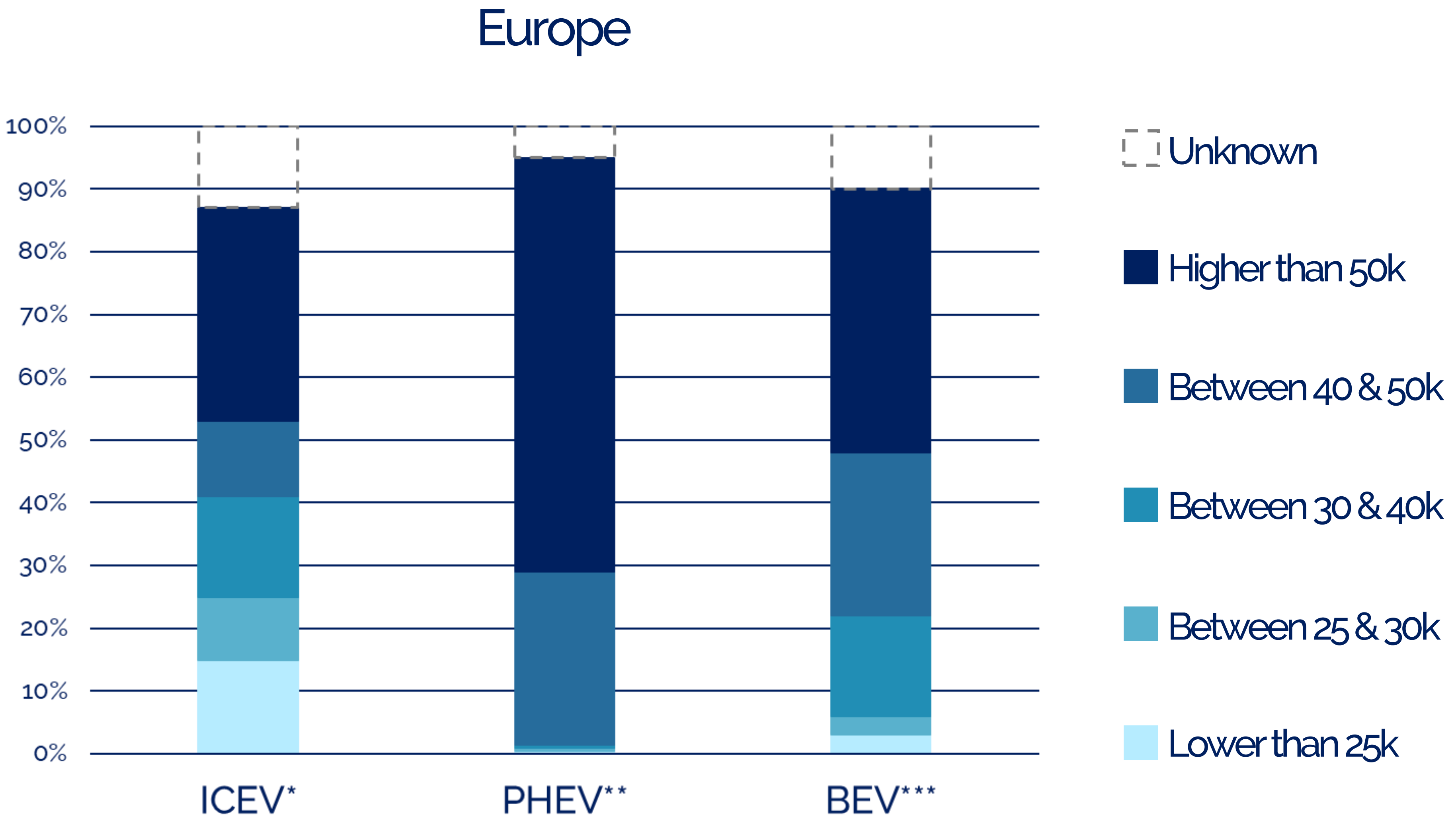
By 2030, the EU is projected to reach just 2.3 M charging points **35% below** the Commission's target.

ACEA & IEA

{ High costs }

Price range distribution of available car models

In USD ($)



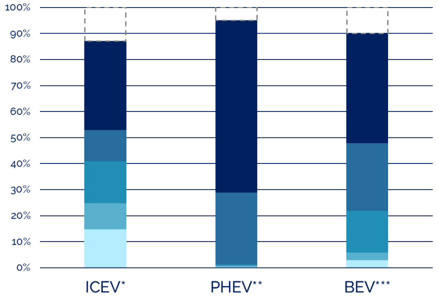
*ICEV: Internal Combustion Engine Vehicle. **PHEV: Plug-in Hybrid Vehicle. ***BEV: Battery Electric Vehicle.

IEA – Global EV outlook 2025

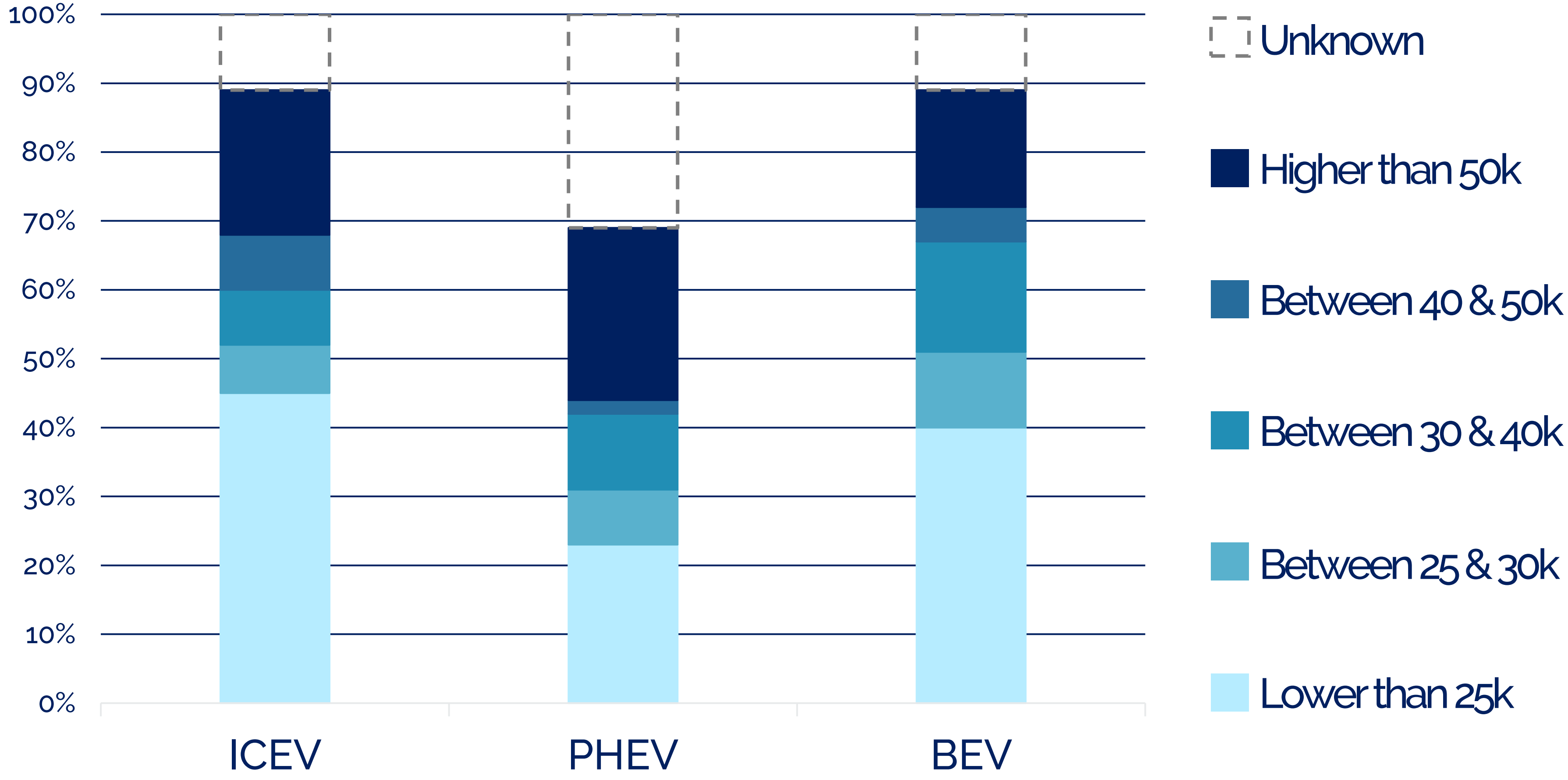
Price range distribution of available car models

In USD ($)

Europe



China



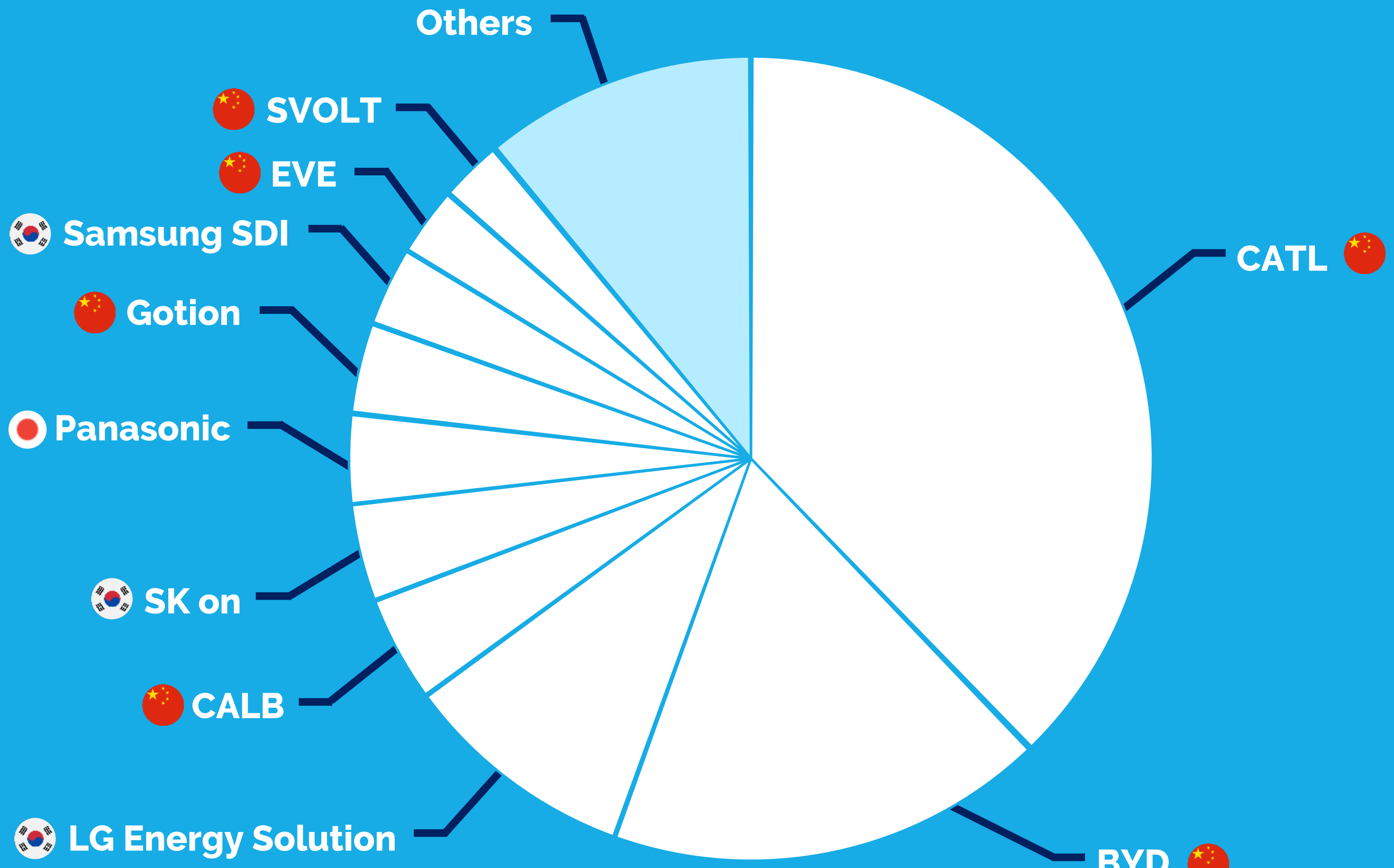
IEA – Global EV outlook 2025

*ICEV: Internal Combustion Engine Vehicle. **PHEV: Plug-in Hybrid Vehicle. ***BEV: Battery Electric Vehicle.

The battery represents between **40%** and **50%** of a BEV*'s value

*BEV: Battery Electric Vehicle.

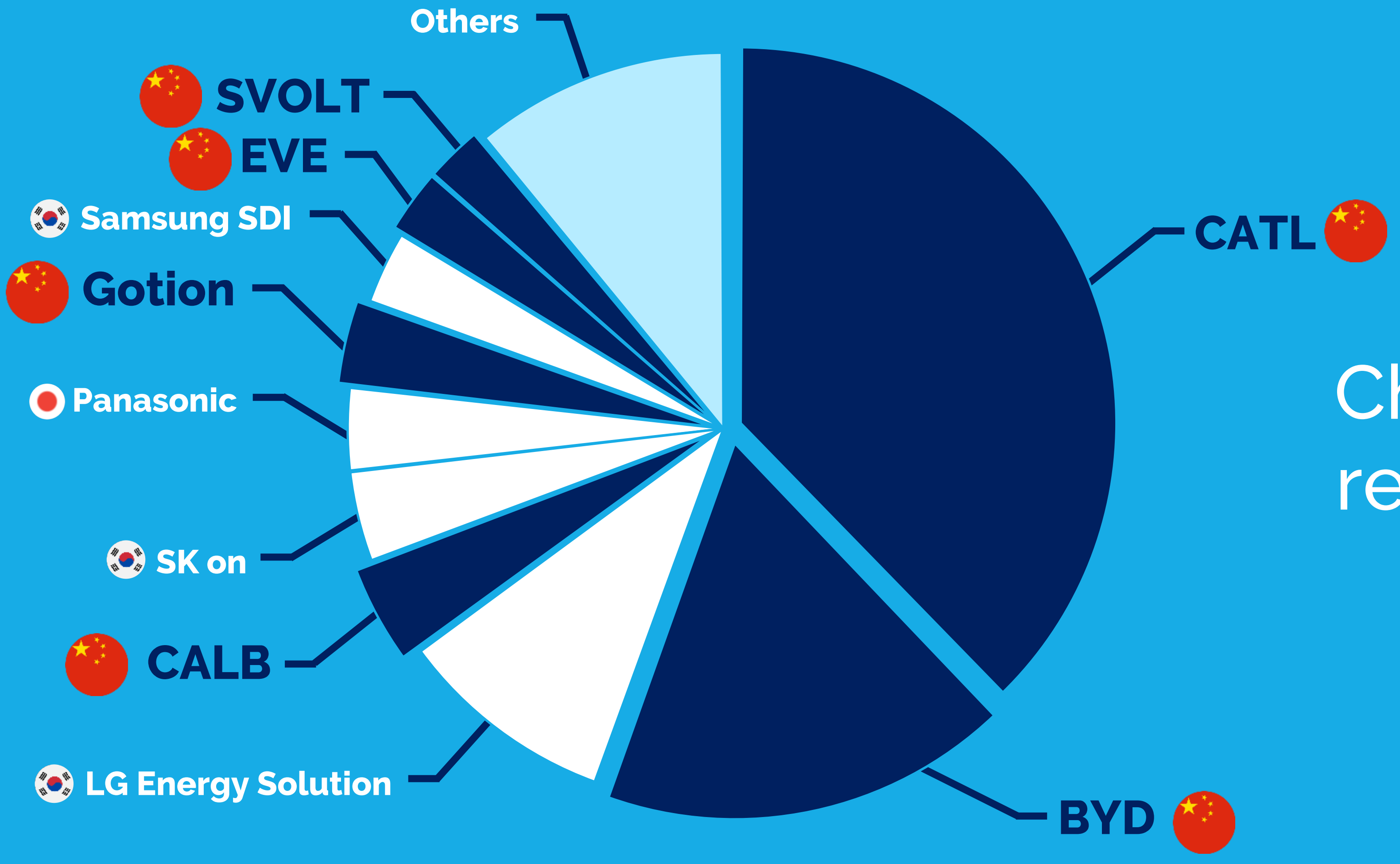
Global market share by EV battery usage H1 2025



*EV battery usage: batteries installed in EVs sold to end customers.

SNE Research - 2025 June Global Monthly EV and Battery Monthly Tracker

Global market share by EV battery usage H1 2025



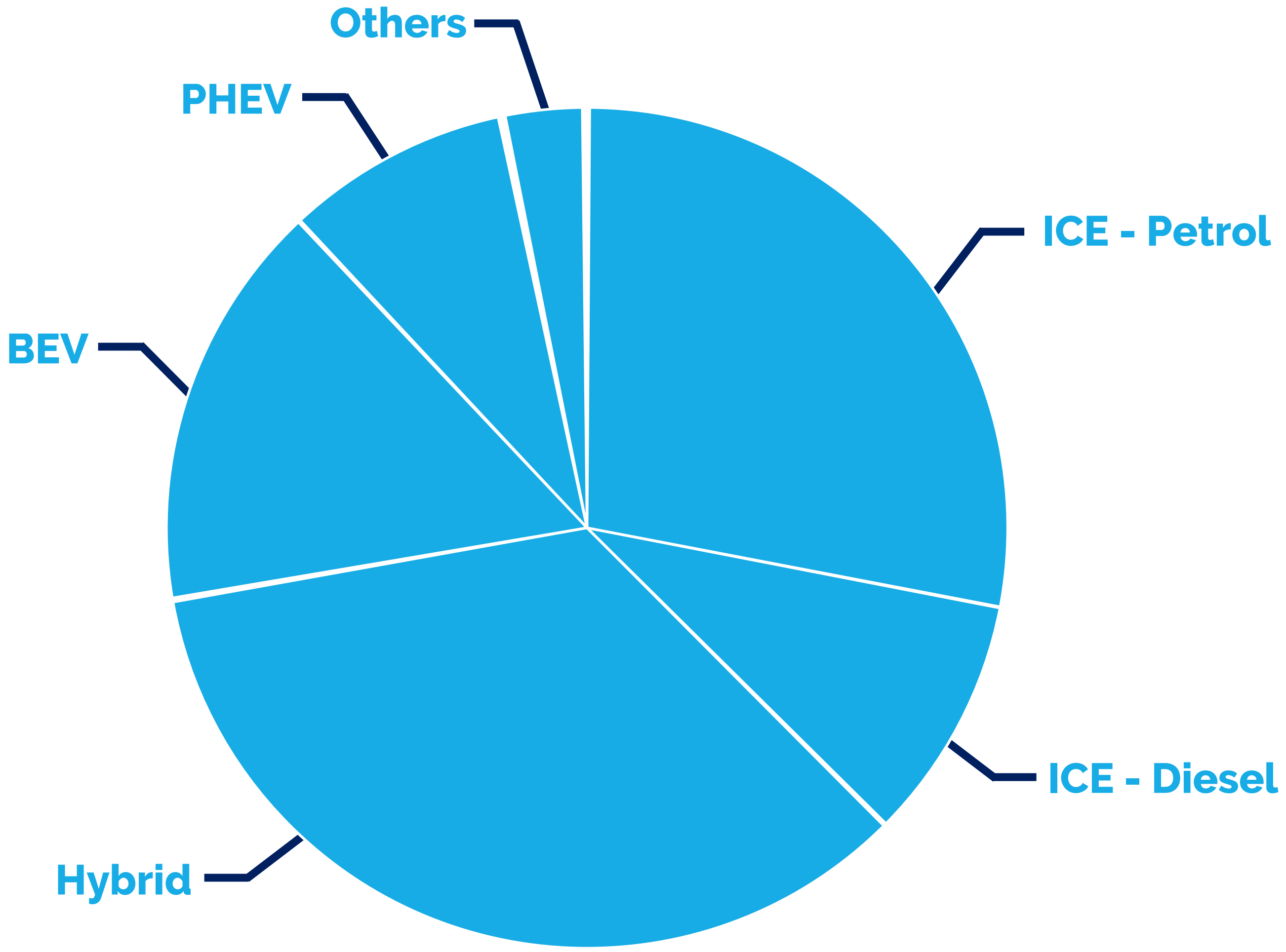
Chinese companies represent **over 75%**

*EV battery usage: batteries installed in EVs sold to end customers.

SNE Research - 2025 June Global Monthly EV and Battery Monthly Tracker

{ Slow market take up }

EU car registrations by powertrain type 2025

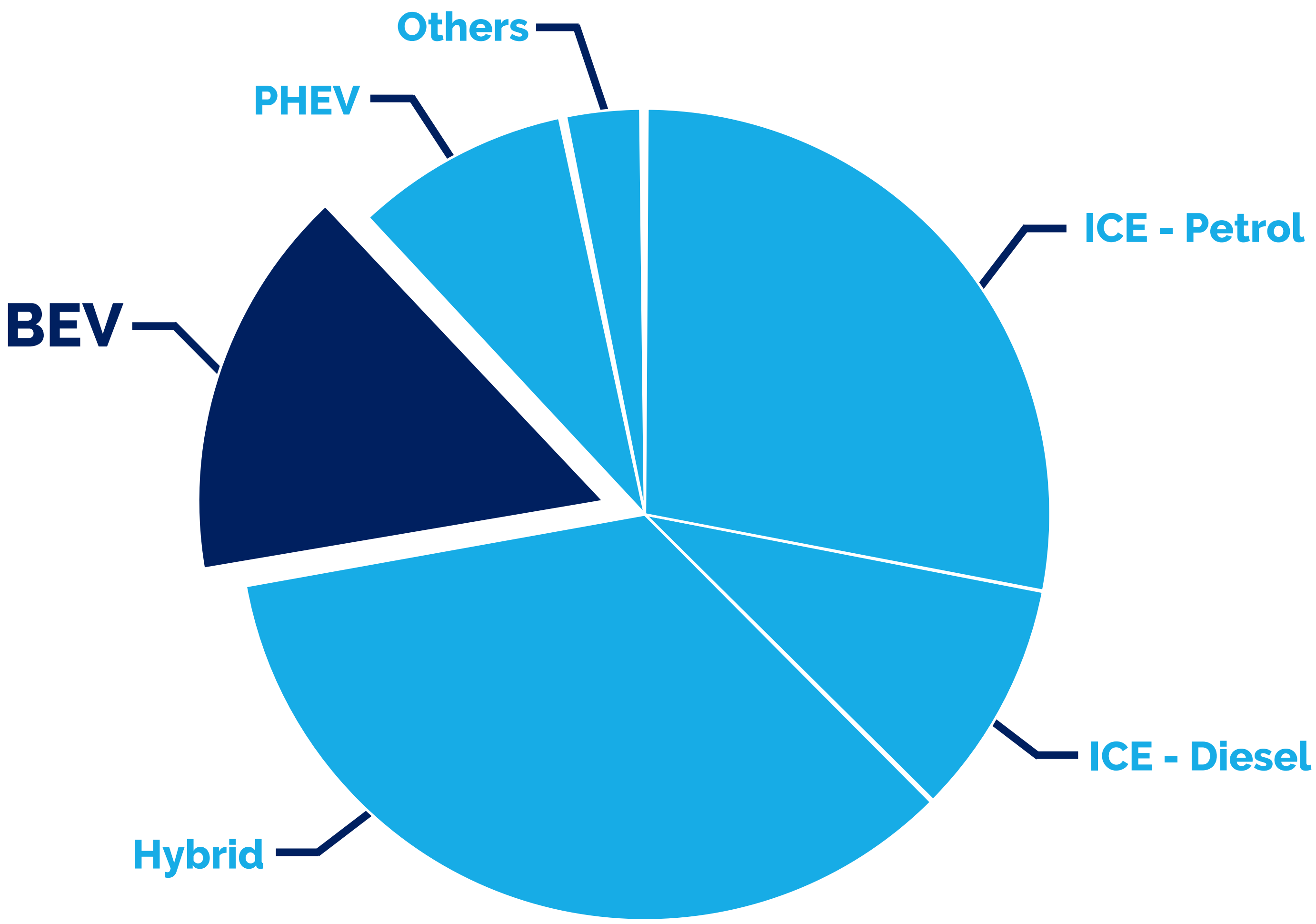


*ICE: Internal Combustion Engine. **PHEV: Plug-in Hybrid Vehicle. ***BEV: Battery Electric Vehicle.

ACEA

EU car registrations by powertrain type 2025

Around 16%



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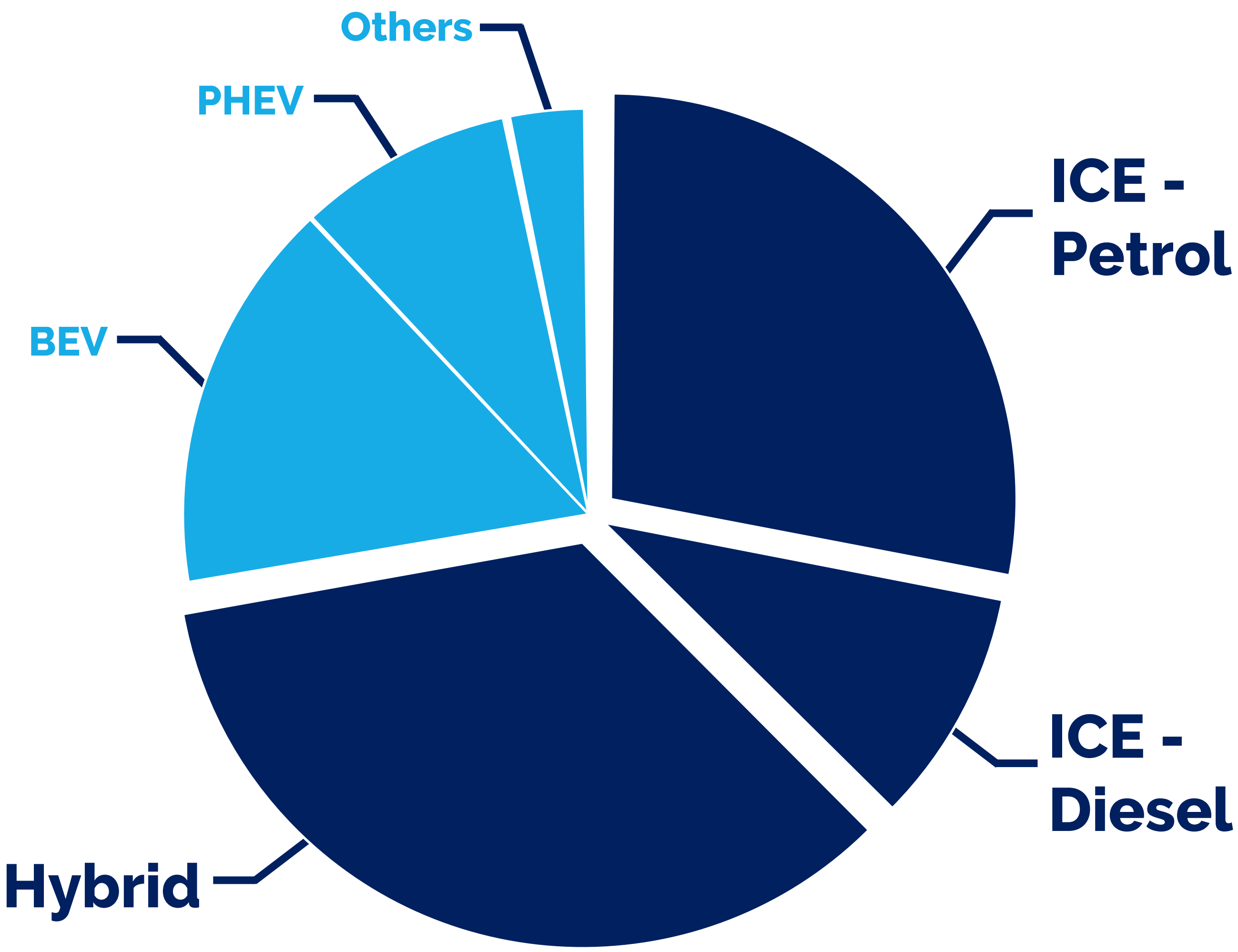
EU car registrations by powertrain type 2025

ICE's and Hybrids still comprise over **70%**



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*ICE: Internal Combustion Engine. **PHEV: Plug-in Hybrid Vehicle. ***BEV: Battery Electric Vehicle.

Over **70%** of car buyers in Europe are still **not** considering BEVs* as their next vehicle option

*BEVs: Battery Electric Vehicles.

McKinsey – mobility consumer pulse

{ Fragmentation and geographic imbalance }

European government subsidies to buy EVs

*EVs: Electric Vehicles (BEV + PHEV).

Almost 30% drop in BEV sales after Germany cut EV subsidies in 2023.

€3500 €11000

Maximum incentive for individual

ACEA

{ Regulation landscape }

2035 targets

zero tailpipe emissions

Regulation (EU) 2019/631

One year after the Draghi report

"The 2035 deadline for zero tailpipe emissions was meant to trigger a virtuous circle of investment and innovation, but this has not happened.
The EV market is growing too slowly, models remain expensive, and supply-chain policy is fragmented."

CLEPA advocates Technology Openness

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Battery Electric Vehicles (BEVs)
Plug-in Hybrid Electric Vehicles (PHEVs)
Extended Range Electric Vehicles (EREVs)
Hydrogen (incl. Fuel-Cell EVs, H2-ICEs)
Bio-fuels and eFuels

Strategic Dialogue.

On-going Strategic Dialogue on the Future of the European Automotive Industry

Jan 2025
1st Strategic Dialogue
Process launched

Mar 2025
2nd Strategic Dialogue
Automotive Action Plan

Sep 2025
3rd Strategic Dialogue
{Mem. of Understanding on Automotive R&I}

Dec 2025
TBC

State of the Union

"Cars are a pillar of our economy and industry. Millions of jobs depend on it... We are preparing the 2035 review.
Millions of Europeans want affordable European cars. So, we should invest in small, affordable vehicles for Europe and global demand."

State of the Union

"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."

“Without policies that protect jobs while supporting the twin transition & innovation, the EU will continue to lag.”

Matthias Zink
- CLEPA President

CLEPA's position.

We are currently developing a proposal for flexibility in the CO_2 targets.

Until 2030.

Boosting electric driving by consumers through technical requirements:

- Restrict the vehicle power if the system detects no charging event over a significant period of time.

- Minimum electric range of 80 km.

- Ability to master all everyday driving situations electrically.

As of 2030.

1) **New category** of electrified vehicles **for advanced PHEV's** and **Extended Range Electric Vehicles**:

- Fast charging capabilities
- Minimum electric range of 100 km

2) **Compensation of residual emissions:** setting RED (Renewable energy directive) targets beyond 2030 and increase its ambition.

Future Automotive Partnership.

Current R&I Partnerships

CCAM

2ZERO

BATT4EU
Batteries European Partnership

MADE IN EUROPE

Chips JU

Clean Hydrogen Partnership

iAM-i

AUTOMOTIVE SKILLS ALLIANCE

Current R&I Partnerships

Connected Cooperative Automated Mobility Partnership

Towards Zero Emissions Partnership

European Batteries Partnership

Memorandum of Understanding on Automotive R&I

Ekaterina Zaharieva
Commissioner for Start-Ups and Research and Innovation

Apostolos Tzitzikostas
Commissioner for Sustainable Transport and Tourism

CCAM

2ZERO

BATT4EU
Batteries European Partnership

Potential elements of the future Automotive Partnership

Clean Mobility

Electromobility and grid integration, use of renewable energy carriers, battery and hydrogen technologies

Digital Mobility

Connectivity
Automated mobility
Services

Design, Manufacturing and Production

Innovative, flexible and automated manufacturing, development, methods and tools.

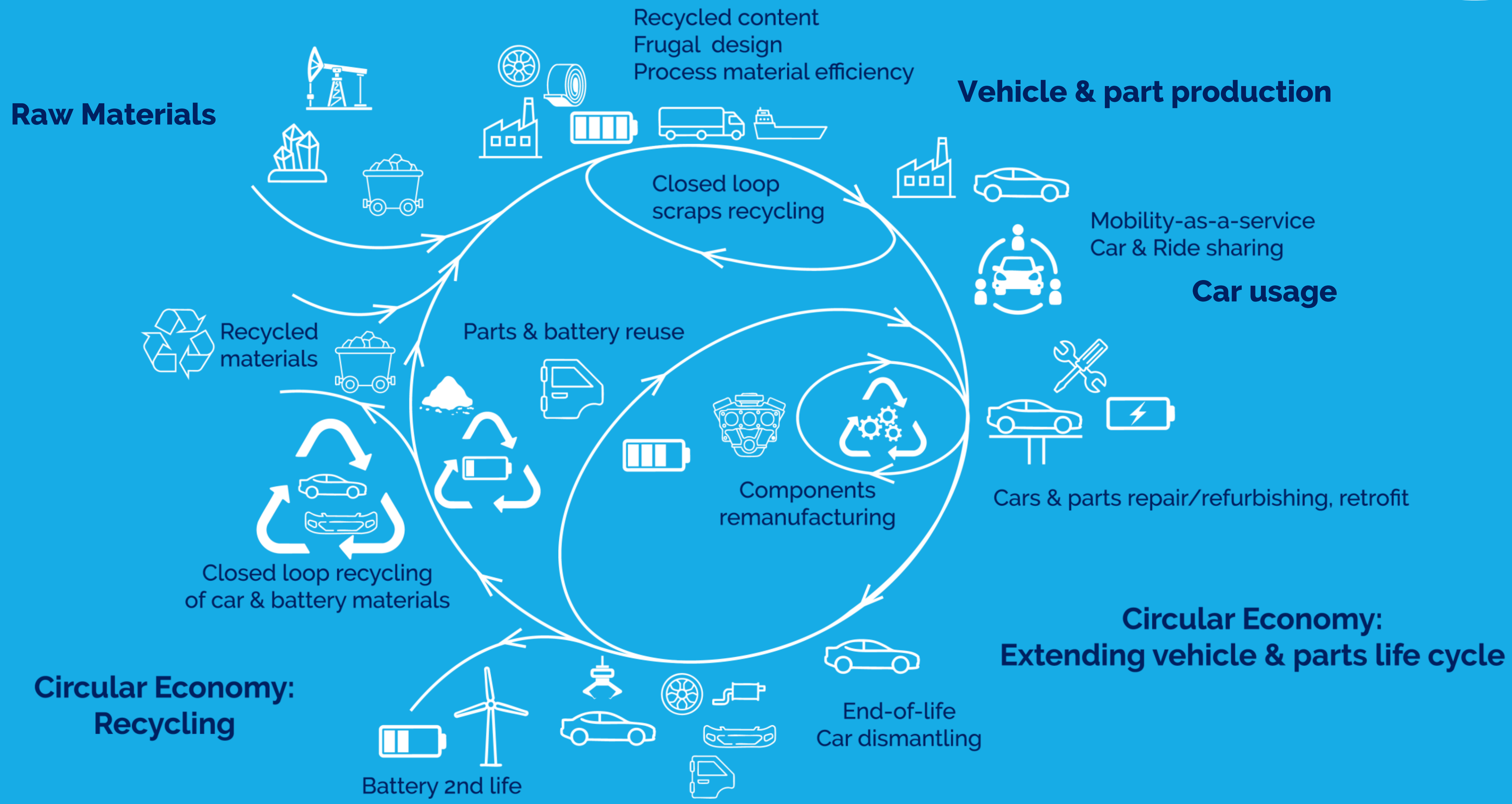
SDV, E/E, software architecture, building blocks and interfaces

AI supported design, manufacturing, vehicles functions and services + data + cybersecurity

Circular economy, advanced materials, LCA

Circularity.

The circular economy in automotive



Affordability.

Around **25%** of ICEVs*
EU models were priced
below €30000 in 2024

*ICEVs: Internal Combustion Engine Vehicles.

IEA – Global EV outlook 2025

While only **5%** of BEVs*
EU models were priced
below €30000 in 2024

*BEVs: Battery Electric Vehicles.

IEA – Global EV outlook 2025

State of the Union

"And millions of Europeans want to buy affordable European cars. So, we should also invest in small, affordable vehicles. Both for the European market, but also to meet the surge in global demand."

Commission’s actions

Ongoing R&I study evaluating the inclusion of a possible new category “**M0/N0**” of small EV
{between L6/L7 and M1/N1 categories}
Publication expected by end October 2025

CLEPA’s mission: Ensure a **sustainable**, **competitive** & **innovative** Automotive Supply Industry in Europe, providing **high quality jobs** and delivering **affordable mobility** for all.


CLEP
Innovation Awards 2025
18 Nov
Autoworld, Brussels
86 applications > 12 winners
Supported by Deloitte

A Competitive & Sustainable Future for Europe's Automotive Industry.

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