

One in four European automotive suppliers bracing for losses in 2026, CLEPA survey reveals

Profitability drops and automotive suppliers seek temporary resilience through strategic diversification

Brussels, 23 March 2026 – **One in four suppliers is bracing for a loss-making 2026, the Spring 2026 edition of CLEPA's Pulse Check survey shows. With a growing share of companies expecting losses, the data shows an emergency shift toward non-automotive sectors as a temporary measure to maintain industrial capacity during one of the most volatile periods in the sector's history.**

One in four suppliers expects losses in 2026

Profitability expectations for 2026 remain weak. 76% of automotive suppliers expect profitability below 5%, the minimum level required to sustain long-term investments in innovation and industrial capacity. This represents a slight deterioration compared to the Autumn 2025 Pulse Check, where 70% of suppliers reported similar expectations.

24% of suppliers now expect negative profitability (below -1%) in 2026, a sharp rise from 15% in the previous survey. This means that **one in four automotive suppliers is preparing for negative margins in 2026**, highlighting a severe financial strain.

Temporary diversification: safeguarding the automotive core

To navigate this perfect storm of persistent market uncertainty and margin pressure, suppliers are adjusting their business strategies.

73% of companies have significantly adjusted their product portfolios, focusing on core platforms, existing low-margin products, or expanding the application of existing technologies. For example, phasing out standardised basic components with limited margins, concentrating investment on key electrification or software-driven platforms, or repurposing automotive technologies such as sensors or power electronics for use in industrial applications.

In parallel, 40% of suppliers report increasing their exposure to non-automotive sectors, including industries such as defence and other adjacent markets.

"Automotive suppliers in Europe are facing a profitability crisis that demands immediate, pragmatic action," says **Benjamin Krieger**, Secretary General of CLEPA. "This economic volatility has forced an emergency pivot. Diversifying into adjacent sectors should be a temporary, tactical measure to protect our workforce and industrial footprint. The implementation of the Industrial Accelerator Act is more

crucial than ever. In the current geopolitical context, strategic autonomy must shift from a distant milestone to an immediate political and industrial priority."

The path forward

To address structural challenges and support industrial competitiveness, CLEPA calls for a CO2 regulation that ensures innovation, allowing all competitive, carbon-neutral options to thrive, avoiding technology prescriptions and enabling consumer choice.

An immediate implementation of the Industrial Accelerator Act is also required to prevent unfair competition and make sure that the future of European mobility stays in Europe. The European Parliament and Council must urge the Commission to move beyond a passive trade stance. Instead, we require a rigorous risk-based assessment of trade partners based on objective criteria and robust enforcement. This is the only way to maintain interconnected supply chains while closing trade loopholes and ensuring that European industry has a fair environment in which to compete.

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.