Driving AI adoption in automotive: Streamlined policies for global competitiveness in cloud and AI

4 June Brussels — CLEPA, the European association of automotive suppliers, welcomes the European Commission's efforts to shape a forward-looking strategy and regulatory environment for the deployment of artificial intelligence (AI) and digital infrastructure in Europe. In this context, it is crucial to ensure a clear distinction between horizontal rules and sector-specific frameworks. With regard to the envisaged AI Code of Practice, it is important to avoid overly complex risk assessments and overlapping monitoring requirements, and to review the proposal where necessary.

As vehicles become increasingly software-defined, AI and digital infrastructure emerge as foundational technologies. Automotive suppliers not only integrate AI into intelligent vehicle systems but also apply it across R&D, design, and manufacturing. Efficient, secure, and scalable cloud and edge computing capabilities are therefore critical to the European automotive sector's global competitiveness.

CLEPA supports the Commission's ambition to reinforce Europe's cloud and edge capabilities. The sector generates and processes vast amounts of data, from connected vehicles to complex industrial processes, that require powerful compute resources for training, validation, and deployment of AI models. In this context, edge AI is of particular importance for real-time, safety-critical applications such as obstacle detection, energy-efficient engine control, and on-device decision-making.

To achieve the EU's digital ambitions and ensure the success of AI in the mobility sector, CLEPA calls for the following:

- **Recognition of sector-specific frameworks**: Automotive suppliers operate under stringent regulatory frameworks (e.g. Regulation 2018/858 and 2019/2144). The AI Act, including guidance, and future strategies must avoid duplication with these frameworks and should rather build on existing sectoral requirements and international frameworks.
- **International regulatory consistency**: Divergent global standards could lead to technical barriers, increased compliance burdens, and fragmented innovation ecosystems. The EU must pursue interoperability of AI rules and strategies with international regulatory approaches, including UN regulations and ISO standards to ensure trade compatibility and seamless AI deployment
- **Innovation through simplification**: Regulatory clarity and streamlined compliance processes are especially important for SMEs, which form the backbone of Europe's automotive innovation ecosystem. Overly complex risk classifications and overlapping monitoring requirements could stifle their contribution to AI deployment.

- **Robust public-private investment frameworks**: Targeted incentives and de-risking mechanisms must be established to attract large-scale private investments into European cloud and edge infrastructure. Simplified access to funding and regulatory stability are prerequisites for scaling industrial innovation.
- **Clarity and differentiation in AI responsibilities**: Automotive suppliers typically develop and integrate AI models within well-defined systems and should not be treated as providers of general-purpose AI. Regulatory guidance and risk classifications must reflect the structure of the automotive value chain.
- **Open, innovation-friendly data policies**: While ensuring data protection and resilience, the EU should avoid rigid data localisation requirements that limit access to diverse datasets and slow down innovation cycles. Cross-border data flows and participation in global AI ecosystems must remain possible.

CLEPA looks forward to continued dialogue with policymakers and stands ready to contribute to the development of an AI strategy that reflects the practical realities of the sector while upholding Europe's values on safety, ethics, and sustainability.

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.