

New analysis confirms 70% "Made in Europe" automotive threshold can be achieved comfortably without risking automaker flexibility

CLEPA, the European Association of Automotive Suppliers, has published the second phase of a [landmark study](#) conducted by Roland Berger. The findings confirm that the European Commission's proposed 70% 'Made in Europe' threshold for vehicle components under the Industrial Accelerator Act (IAA) is comfortably achievable for both plug-in hybrid electric vehicles (PHEVs) and battery electric vehicles (BEVs).

Following the European Commission's IAA proposal on 4 March 2026, CLEPA commissioned Roland Berger to assess the real-world feasibility of local content requirements. Analysing a representative C-segment vehicle produced within the EU, the study demonstrates that Europe's supply chain possesses the technical capability and capacity to exceed the threshold:

- The combined value of components that can be predominantly or largely made in Europe reaches 89% for PHEVs and 83% for BEVs, well exceeding the 70% threshold.
- The 70% threshold is already comfortably achievable for both powertrains, with PHEVs exhibiting a higher level of European content. The results confirm that the threshold preserves OEM sourcing flexibility and leverage over their suppliers, by allowing vehicle manufacturers to determine which components are sourced within or outside Europe.
- At domain level, the 50% threshold is achievable for both main electronic components and the E-powertrain, with the E-powertrain exceeding the threshold by an even wider margin.

However, the report warns against complacency. While the technical capability to source locally is strong, with current average EU content standing at 82% for PHEVs and 75% for BEVs, Europe faces severe cost pressure. As identified in Phase 1 of the study (September 2025), a 15% to 35% cost gap exists between European production and best-cost global alternatives. Without targeted policy safeguards like the IAA threshold paired with structural competitiveness reforms, **23% of Europe's automotive component value creation remains at risk, threatening up to 350,000 jobs by 2030.**