

Europe's hour of truth: Turning dialogue into delivery for automotive suppliers

Ladies and Gentlemen,

First, let me take the time to wish all of you a happy new year! I hope you all had the opportunity to relax, recharge, and reflect over the festive days. The year-end-rally of 2025 was a tough one, but it ended with the EU Commission's announcement of the Automotive Package. Before we go into details, I want to thank all of you for your hard work, valuable contributions and passionate support of CLEPA to make this possible. There has been significant progress achieved since last year, a time when there was no clear perspective. The flexibilities we have now secured are largely the result of effective collaboration between CLEPA and ACEA and policy makers. Nonetheless, this marks only the beginning of the journey, as the complexities lie in the details. Moving forward into 2026, which marks the beginning of my second term as CLEPA President, it will be essential to build on this momentum to ensure that the implementation of the proposals is pragmatic and flexible.

Let's reflect a little bit about the year that lies behind us. Overall, 2025 was a year of strain for Europe's automotive supply industry: Global competition intensified, leading to production shifting elsewhere. Volumes remained depressed. On the other side, political attention reached new levels. Throughout the year, we held constructive exchanges with several Commissioners and President von der Leyen within the Strategic Dialogue.

We also welcomed [Commissioner Tzitzikostas](#) at the CLEPA Innovation Awards, and met with several CLEPA national associations to better understand realities on the ground across Europe. As you know, these meetings are most important to me and I will continue to drive the exchange between national peers and CLEPA. And just before the Christmas break, the year of discussions ended with the Automotive package: By replacing an outright ban with a 90 percent CO2 reduction target, the European Commission is making a first step towards a more effective path to decarbonisation. But clearly, we need to go further on the way to making the rules flexible enough to adjust to market reality. This would also allow the EU to reclaim economic sovereignty, closer to the pragmatic model China has embraced, as I recently discussed with the [Financial Times](#). If it does so, Europe is choosing to continue innovating, producing, and employing, without undermining the climate emergency.

The political development is encouraging, but the economic reality is sobering: Latest CLEPA figures show that automotive suppliers announced nearly 50,000 job losses in 2025. This is 100,000 job cuts announced since the beginning of 2024. Europe must also confront geopolitical vulnerabilities. As I recently discussed with [Bloomberg](#) in the context of the Nexperia case, an exposed supply chain is not just an economic risk, it is a strategic one. In addition, persistently [low profitability](#) is pushing the industry onto a dangerous path. Without decisive measures, parts manufacturing in Europe risks disappearing, as companies are forced to relocate or shut down, taking jobs and expertise with them. If left unaddressed, this could reduce value creation in car parts by 23 percent and put 350,000 jobs at risk by 2030 as a [Roland Berger study](#) shows.

For Europe to remain attractive as an industrial location, lower electricity costs, less red tape, and better access to finance are crucial. With the Automotive Package acknowledging all powertrain

technologies after 2035, the EU Commission appears to be moving toward a balanced transition combining climate goals with economic and social realities. But achieving the 90 percent reduction target will require heavy investments and a robust industrial strategy, from low-carbon steel to alternative fuels. To make this a success and boost investment, we need measures guided by flexibility and pragmatism.

Looking ahead to 2026, our priorities are clear: flexibility and openness across technologies, safeguarding the EU manufacturing base from unfair competition, supporting the Utility Factor and real technology openness in the CO₂ Regulation, and reducing red tape while lowering energy costs. EU sovereignty is increasingly important — and sovereignty without a strong parts manufacturing base is but a dream. Safeguarding this industry is not an economic convenience, it is self-preservation. Therefore, CLEPA will remain fully engaged. From our dedicated Brussels team, we will continue to support decision-makers and advocate for smarter, safer, and more sustainable mobility in Europe.

Yours sincerely,

Matthias Zink
CLEPA President and CEO Powertrain & Chassis, Schaeffler

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.