

## **SERNAUTO calls on the European Union to establish a local content framework to strengthen the competitiveness of the automotive components industry**

**Madrid, 18 December 2025** – In view of the current global competitive pressure in the manufacturing of electrified vehicles, the Spanish Association of Automotive Suppliers (SERNAUTO) urges European authorities to swiftly put in place a **local content framework** to ensure that a significant share of the value added generated by the production of these vehicles in Europe remains within the region.

The objective is to establish criteria requiring extra-EU vehicle manufacturers entering the European market to rely on the local supplier ecosystem, thereby generating value and knowledge transfer, preserving highly skilled employment and ensuring the continuity of existing industrial capabilities. This approach mirrors the way in which European industry established itself in other regions in previous decades and, in this sense, **reciprocity is being called for in the current process**.

Spain is the **second largest passenger car manufacturer in Europe and the ninth worldwide**, and this leadership position is now at stake. The country benefits from a **robust, competitive and innovative automotive supplier ecosystem**, comprising more than **1,000 companies, 15 technology centres** and **10 automotive clusters** spread across the territory. In addition, the planned deployment of **four battery gigafactories** further strengthens Spain's position as an attractive destination for new extra-EU industrial projects.

The Spanish automotive supplier industry generates **more than €41.2 billion in turnover** and provides **over 325,000 direct and indirect jobs**. A local content policy, designed with technical rigour, strategic vision and European coherence, can play a crucial role in **preserving employment and strengthening the supply chain**, which is currently under significant strain.

SERNAUTO considers that the European Union should establish a **local content benchmark within a 70%–80% range**, reflecting the value currently generated in Europe across vehicle systems and technologies, and supporting the defence of Europe's technological differentiation.

In this regard, a local content framework would help to:

- Retain in Europe essential activities such as design, R&D&I, engineering and manufacturing.
- Ensure a **level playing field**, particularly vis-à-vis extra-EU competitors operating under non-comparable regulatory, labour and energy conditions.
- Prevent the loss of industrial critical mass, which is key to sustaining future investments in electromobility, digitalisation and decarbonisation.

- Foster European strategic autonomy in critical technologies such as electronics, batteries, software, robotics, e-powertrain systems and the circular economy.
- Reinforce highly skilled employment and know-how, which are key differentiating factors of the Spanish supplier sector.

For this local content instrument to effectively fulfil its economic function, it must be based on a **rigorous definition aligned with Europe's industrial reality**. A simple reference to assembly operations or final transformation does not adequately reflect the technological and industrial contribution of the European ecosystem. Real value added generated in Europe encompasses design, engineering, manufacturing, software development and validation activities, as well as the contribution of the different tiers of the supply chain.

Such a measure would help **strengthen the resilience of the European supply chain, reduce geo-strategic risks, ensure a level playing field and consolidate lead markets for clean technologies manufactured in Europe**.

According to **SERNAUTO President Javier Pujol**, “the automotive sector is the backbone of Spanish industry. Reindustrialising Europe requires strengthening its supplier base. Europe must move from declarations to decisions. Talking about competitiveness is not enough; it must be supported with instruments and funding. Without industry, there is no transition, no sovereignty, and the welfare society that Europe has built with so much effort is put at risk.”

“The European industry stands at a turning point. Either we act today, or the electromobility value chain will permanently shift to other regions of the world. Europe must equip itself with instruments already used by its main competitors. We are not asking for protection; we are asking for comparable conditions to compete. Spain is well positioned to continue competing at a global level,” Pujol concludes.

### About SERNAUTO

SERNAUTO is the Spanish Association of Automotive Suppliers. Founded in 1967, it represents more than 85% of the sector's turnover through its member companies. It represents an industry composed of over 1,000 companies supplying components to vehicle manufacturing plants and the aftermarket.

The automotive supplier sector is a strategic industry which in 2024 generated more than €41.238 billion in turnover in Spain and accounted for 325,200 direct and indirect jobs. It is the third largest exporting sector, with 60% of production exported directly, rising to 82% when components installed in exported vehicles are included. In addition to acting as the sector's interlocutor with public administrations, SERNAUTO is officially recognised by the Spanish authorities as the representative association of the sector.

SERNAUTO is recognised by ICEX Spain Trade and Investment for the international promotion of the automotive supplier sector and is a member of the CLEPA Board of Directors (European Association of Automotive Suppliers) and the Spanish Network of the UN Global Compact.