

Press release

CO2 standards require rigorous feasibility check and tech-neutral approach

Brussels, 8 May 2025 – CLEPA, the European Association of Automotive Suppliers, welcomes the European Parliament's support of the Commission's targeted amendment to the CO2 standards for cars and vans, aimed at providing vehicle manufacturers with greater flexibility to meet 2025 emission targets. The introduction of an averaging mechanism for emissions reduction is an urgent and necessary step. However, this measure must not overshadow the broader structural shortcomings of the CO₂ Regulation, which affect the entire automotive sector. The current framework remains misaligned with market realities and is overly prescriptive in its technological approach, hindering innovation and progress toward effective decarbonisation.

“Short-term measures must align with a broader, technology-neutral ambition. A critical discussion on the feasibility of current CO₂ Regulation is needed, aligned with real-world conditions. Competitiveness depends on a feasible transition. Diverse technological solutions — hybrid, battery-electric, and CO₂-neutral fuels must all have a place at the table,” said **Benjamin Krieger, CLEPA Secretary General**.

As high-level discussions continue in Brussels, Europe's automotive suppliers are confronting growing challenges on the ground. According to the latest [CLEPA-McKinsey Pulse Check](#), 62% of the industry cite overcapacity and high fixed costs, factors that significantly increase the risk of further downsizing and job losses. Without urgent support, the EU may undermine the very industry needed to implement its Green Deal goals.

“While the ambitions were politically bold, we must now reassess the technical and economic feasibility of the CO₂ Regulations to ensure they are both realistic and centred on people.

Europe must move decisively with smart, targeted measures to remain globally competitive in an uncertain world. A key priority is maintaining the Utility Factor for plug-in hybrids (PHEVs) to protect high-value European jobs and provide urgent relief.

At the same time, CO₂ rules must be updated to reflect current market realities and support all low-carbon technologies. Cutting red tape through the Simplification Omnibus can also enhance resilience – promoting competitiveness, not protectionism, while safeguarding Europe's strategic industrial base,” stated Benjamin Krieger.

As the EU's Strategic Dialogue on the future of the European Automotive Industry moves forward, CLEPA urges the European Commission not to lose momentum or delay action.

“The Commission pledged to deliver on technology neutrality, yet we see little progress and time is running out. Thousands of jobs are at risk in a time of deep uncertainty. We urgently need a clear and credible signal that Europe is serious about supporting its industry and leading a realistic green transition,” concluded Benjamin Krieger.

Immediate and long-term actions needed

To ensure a balanced, consumer-oriented, and effective transition to clean mobility, CLEPA urges policymakers to take decisive action:

1. **Short-term measure:** Maintain the 2024 Utility Factor for plug-in hybrid electric vehicles (PHEVs) in the Type-Approval regulation to safeguard their role in reducing emissions.
 2. **Long-term vision:** Conduct a substantial revision of the CO2 regulations by the end of the year, ensuring a strong, technology-neutral framework to support the clean transition towards 2035. Introduce clear legal requirements and explicitly recognise “vehicles running exclusively on CO2-neutral fuels” in the regulatory framework.
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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.

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You can contact us at communications@clepa.be