

Europe must navigate its automotive transition – September's Strategic Dialogue is last chance to correct course

CLEPA urges the Commission to embrace current realities of Europe's automotive sector and move from discussion to implementation. We can retain a competitive, sustainable industry - and secure jobs for thousands of Europeans - through coordinated policy and industry action. CEOs and key representatives are soon traveling to Brussels for a key conversation: September 12th Strategic Dialogue will be our chance to act.

The threats to European car making are not abstract. As we've shown in our [recent figures](#), automotive suppliers face tens of thousands of job losses: over 54,000 in 2024, and another 22,000 already this year, as factories close and investments stall. Europe's automotive competitiveness is under heavy pressure, squeezed between escalating global trade disruptions, from tariff battles to resource restrictions, and internal market constraints such as high energy prices, rising labour costs, and a regulatory framework that often adds complexity without providing investment certainty.

Our challenge is not technological, it is strategic

Battery-electric vehicles will lead the future of mobility, but the transition must also embrace plug-in hybrids, internal combustion engines made more efficient, range extenders, hydrogen solutions, and low-carbon fuels. Multiple technological pathways ensure innovation, investment, and feasibility. And make no mistake, the automotive industry is charging ahead with BEVs - this will be shown this week at [IAA](#) in Munich, where innovations to propel Europe forward and meet challenges of modern mobility will be showcased.

The CO₂ regulation for light-duty vehicles, which will ban sales of new ICE cars from 2035, was ambitious from the start, but it must now also be seen in a fast-changing context, leveraging the great potential and European know-how of our industry.

Choosing action over argument

The Strategic Dialogue with the European Commission so far signals intent, but eight months on, concrete measures are still missing. If ambition outpaces action, our region will not just miss decarbonisation targets, it will forfeit its industrial backbone. And this is now clear with Member states sounding the alarm. Even Germany, a country that used to firmly back an EV-only strategy, has now acknowledged the reality of one of its key industries and is starting to discuss a revision of the phase-out.

The upcoming CO₂ revision for cars and vans should therefore embed flexibility, industrial perspective, and a market-driven approach. Ideally, this should be embedded in a broader reform agenda that strengthens the EU's competitiveness as a location for manufacturing, R&D, and investment, while also considering smart local-content policies to safeguard production and know-how in Europe. Penalties and rigid mandates alone will not deliver the desired results; realistic frameworks are essential to attract investment and create growth.

Going forward, collaboration with EU institutions to align ambition with action is key to secure a competitive and sustainable automotive future. September's Strategic Dialogue, however, may be the last chance to act - failure means paying the price in lost jobs and lost industrial autonomy.

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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