



European Association of Automotive Suppliers

Automotive component – Driving EU competitiveness and value creation

Addendum #1 – July 2026 – Assessment of EU Automotive Component Supply Chain

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The main objective of the 2026 study is to assess the current state of the EU supply chain for components used in BEV and PHEV vehicles assembled in Europe

Context & Objectives

Context

- In 2025, Roland Berger conducted, on behalf of CLEPA, an extensive study **assessing value localization in EU-assembled vehicles, analyzing both assembly location and value creation**
- On March 4th 2026, the EU Commission issued an **IAA proposal defining a *Made in EU Vehicle***
- The proposal sets a **70% component value threshold** to qualify as “Made in Europe,” with component origin determined by the **non-preferential rules of origin**
- Building on the 2025 study, Roland Berger was asked by CLEPA to **assess availability of components qualifying as Made in Europe** under the methodology proposed by the EU Commission for **BEV and PHEV vehicles** and to benchmark results against the 70% threshold

Objectives

- 
- 1 **Assess the current availability of components in the EU supply chain for components used in C-segment BEV and PHEV vehicles assembled in Europe, applying the non-preferential rules of origin methodology proposed in the IAA by the EU Commission**
 - 2 **Benchmark results against the 70% "Made in Europe" car-level threshold and the 50% “Made-in-Europe” threshold for critical components** defined by the EU Commission
 - 3 **Equip CLEPA and its members** with consolidated findings, including uncertainty range

The 2026 study builds on the 2025 study, which estimated the EU content per vehicle and highlighted the loss of competitiveness of the EU automotive industry.

Summary of the 2025 Study Findings and Rationale for the 2026 Study

- Based on a large-scale industry survey, the **2025 Roland Berger study** measured the **EU content per vehicle** for both **BEVs and ICE/HEV vehicles**.
- The study found that EU content per vehicle typically ranged **between 70% and 80%**, with **BEVs at the lower end of the range** and **ICE and hybrid vehicles at the upper end**.
- The study also measured the **competitiveness of the European automotive supply chain**, identifying a **cost gap of approximately 15–35%** versus the most competitive non-EU countries—particularly China—depending on the component category, with an **average gap of around 25%**.
- **Unless the competitiveness improvement measures identified in the 2025 study are implemented at scale**, this cost disadvantage—with no evidence of meaningful reduction to date—will continue to represent **a existential challenge for the entire European automotive industry and its long-term sustainability**.
- The **2026 study** builds on these conclusions by measuring the **availability of BEV and PHEV components within the European supply chain** to estimate the level of flexibility OEMs have in designing their sourcing strategies.
- **The 2026 component availability figures should not be directly compared with the 2025 EU content results.**
 - **2026 component availability figures** measure **the practical availability of components** that could be sourced from European manufacturing capabilities. They reflect the capacity of the European supply base
 - **2025 EU content results** measure **the actual share of EU-sourced content used in specific vehicles by OEMs**. They reflect real sourcing decisions made by manufacturers for individual vehicle models.

Assessment of current EU component supply chain evidences that the 70% threshold preserves OEM sourcing flexibility and leverage over their suppliers

Executive Summary

- Building on the European Commission's proposal, Roland Berger and CLEPA members analyzed the availability of Made in Europe components **using the methodology proposed by the EU Commission - non-preferential rule of origin - on a C-segment vehicle representative of EU automotive production**, covering both PHEV and BEV powertrains.
- The results show that **the combined value of components predominantly or largely made in Europe reaches 89% for PHEVs and 83% for BEVs**, comfortably exceeding the 70% threshold.
- **For PHEVs, components accounting for 74% of vehicle value** (excluding assembly and batteries) are **predominantly made in Europe**, with **a further 15% largely made in Europe**.
- **For BEVs, the corresponding figures are 67% and 16%**, respectively, with the lower share reflecting the higher proportion of electronic and powertrain components sourced outside Europe.
- Overall, **the findings indicate that the EU component availability makes 70% threshold achievable for both powertrains**, with PHEVs exhibiting a higher level of European content.
- They also confirm that the threshold preserves **OEM sourcing flexibility and leverage over their suppliers**, by allowing manufacturers to determine which components are sourced within or outside Europe.
- At domain level, the analysis also indicates that the **50% threshold should be achievable for both main electronic components and the E-powertrain**, with the **E-powertrain exceeding the threshold by a wider margin**.

The 2026 study update is conducted at subsystem level and applies the non-preferential rule of origin as proposed by the EU Commission in the IAA

Methodology of the 2026 Roland Berger study update

1

Breakdown component value by domains & subdomains

- The scope of this study is limited to **passenger cars**.
- All calculations are made for **C-segment vehicle**
- For both PHEV and BEV, the total subsystem value excluding the battery (respectively €18,000 and €13,000) was allocated across six main domains: **Chassis, E&E, EV Powertrain, ICE Powertrain, Interior and Exterior & Body**
- Each domain is further broken down into subdomains, which are themselves composed of subsystems

2

Evaluation of EU origin qualification by Subsystem based on non-preferential rules of origin

- Origin qualification is assessed on the basis of the last substantial transformation principle laid down in Article 60(2) of the Union Customs Code (UCC) and UCC Delegated Act (UCC-DA) Art. 34
- Where applicable, the product-specific rules set out in Annex 22-01 UCC-DA
- Any applicable sector-specific guidance (e.g., the percentage of value added, assembly of semiconductors generated in the EU)
- The analysis is based on the current definitions of the non-preferential rules of origin and assumes that these rules remain unchanged.
Should these rules be revised, the calculations would need to be repeated to reflect the updated requirements.

Based on Phase 1 results, the study reviews availability of components made in the EU that meet the non-preferential rule of origin

Data sources of the 2026 Roland Berger study update

Sources used to complete this study

Data on EU value added share from Phase 1



Review of components’ production process and value chain to check compliance with EU guidance enshrined in the IAA to qualify for “Made in Europe”



Country of origin data provided by CLEPA members



Study’s output

Subsystems are divided into three distinct categories based on the ability of the EU component manufacturing industry to supply them.

1

Predominantly Made in Europe: Very strong EU production capabilities allowing to source components locally with almost all components sourced in the EU

2

Large Made in Europe: Strong EU production capabilities allowing to source components locally with the majority of components sourced in the EU

3

Predominantly Not Made in Europe¹⁾: Limited EU production capabilities with the majority of components assembled into vehicles sourced from outside the EU

1) These components have been classified as not MiE because, in most cases, they are not manufactured in Europe. However, this does not preclude the possibility that a minority share of their manufacturing still takes place in Europe, as is the case for certain cameras, cables, and displays.

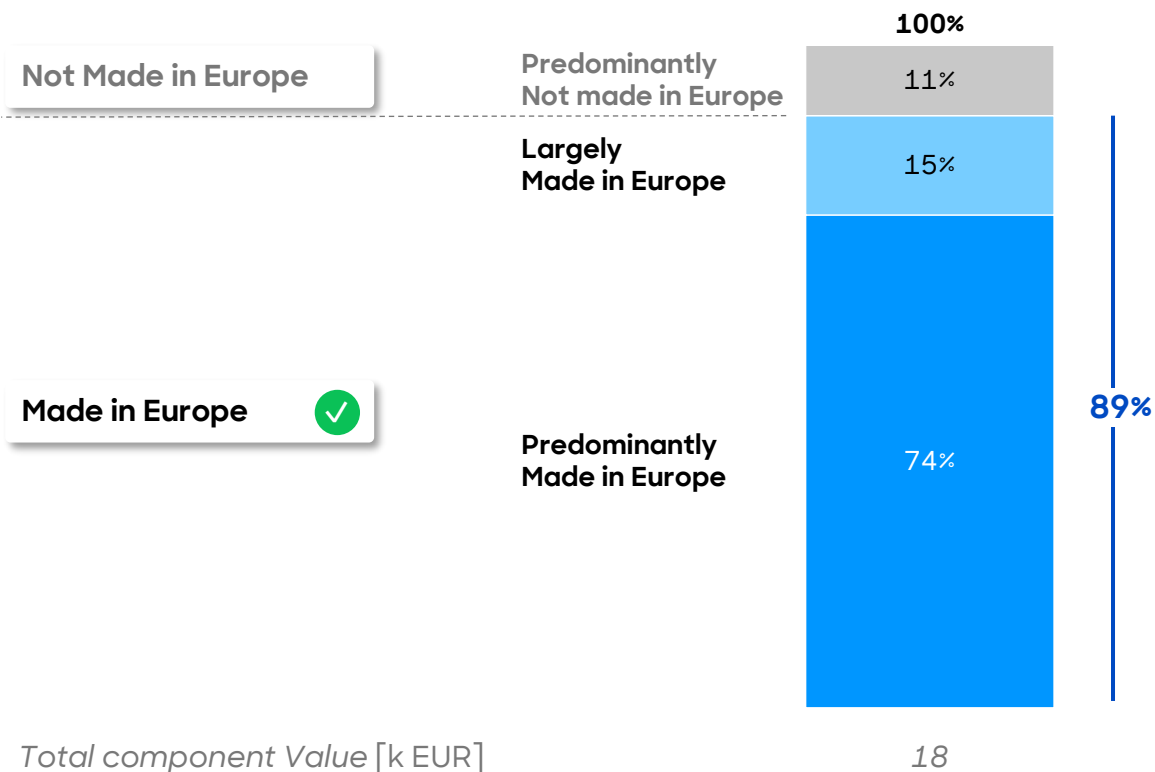
Key caveats of the project approach and study findings

1. The results of this report are based primarily on **inputs from Roland Berger and external databases and experts as well as data provided by automotive suppliers, members of CLEPA**
2. **The geographical scope, covering the EU and EFTA countries,** is consistent with the 2025 study
3. The **proposed vehicle scope, which includes PHEVs and BEVs,** and the **component scope, which encompasses all components excluding batteries,** are aligned with the IAA proposal
4. **All calculations are performed at the Tier 1 subsystem level. The definition and scope of these subsystems may vary** depending on the OEM and vehicle model.
5. Results reflect a **snapshot of current supply chain configurations,** not a forward-looking assessment
6. Findings are **indicative and not legally binding** ; final EU origin determinations remain subject to regulatory interpretation

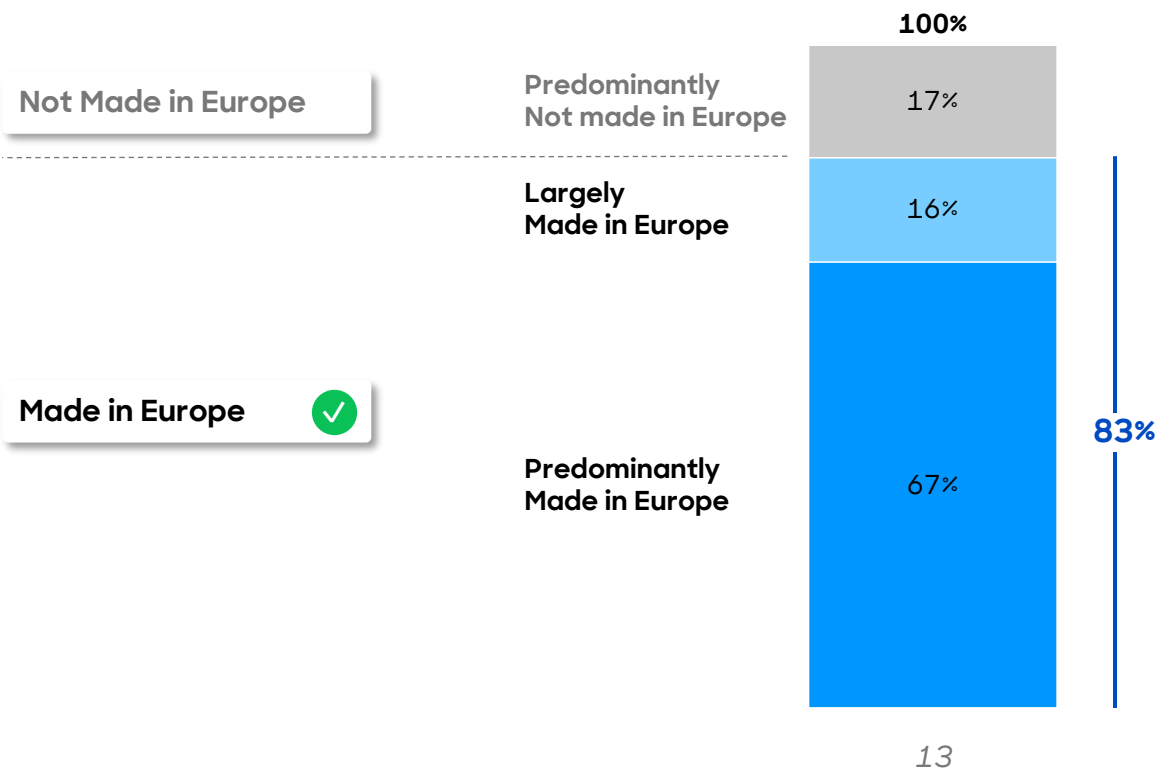
Applying the non-preferential rule of origin, the combined value of components predominantly or largely made in the EU reaches 89% for PHEVs and 83% for BEVs

EU Component availability – Total¹⁾ ex-works price of vehicle components excluding battery [EUR]

PHEV vehicle



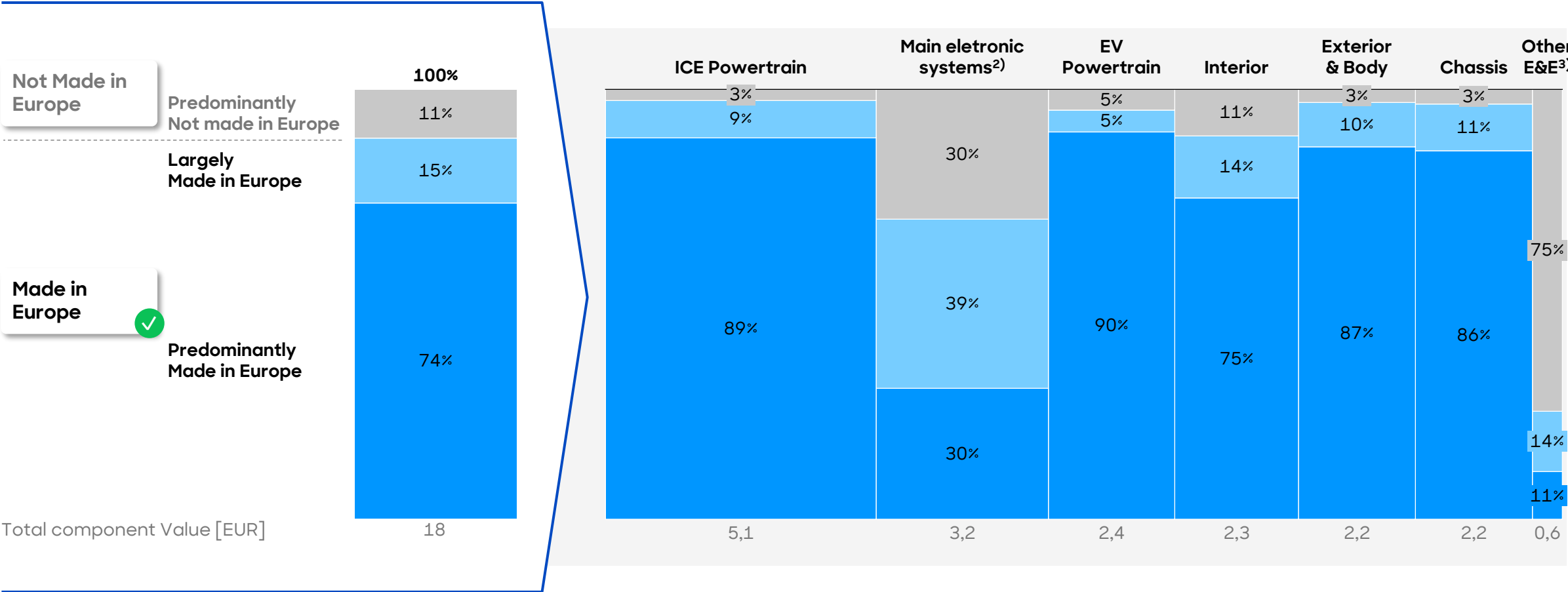
BEV vehicle



1) Totals may not equal the sum of components due to independent rounding

For PHEVs, components accounting for 74% of vehicle value are predominantly made in Europe, with a further 15% largely made in Europe

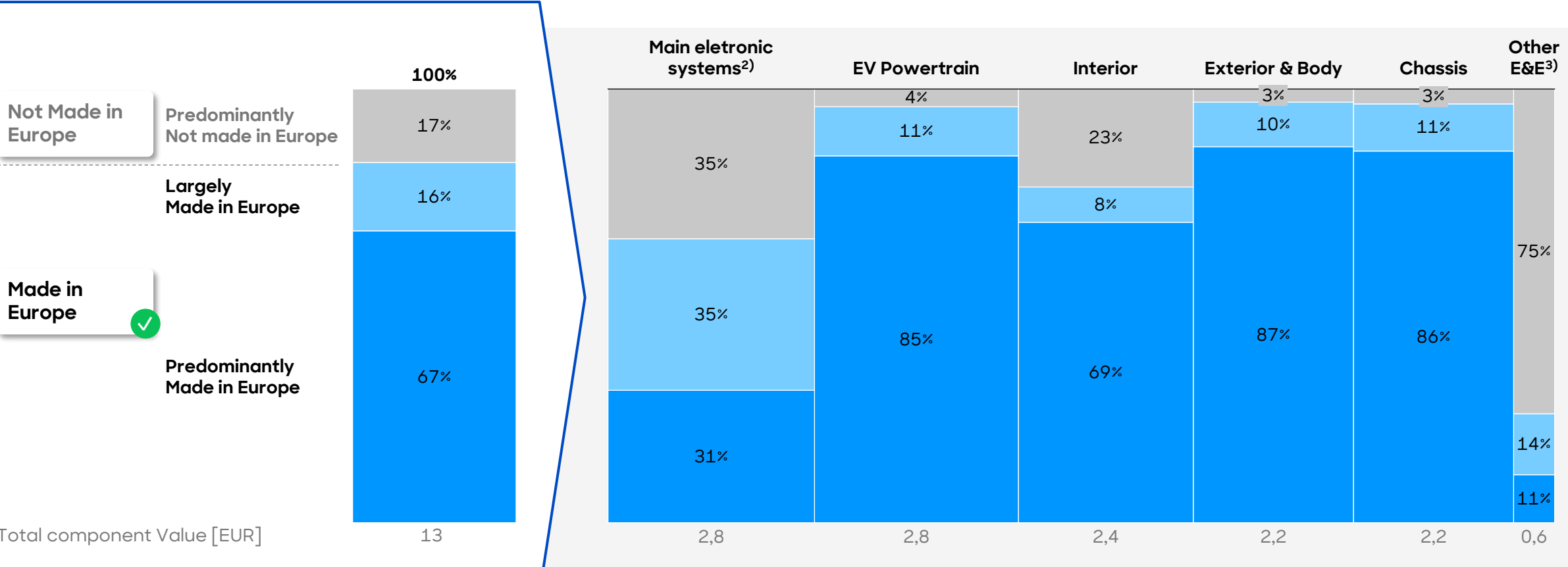
PHEV EU Component availability – Total¹⁾ ex-works price of vehicle components (excl. battery) [EUR]



1) Totals may not equal the sum of components due to independent rounding ; 2) Main electronic systems means advanced driver assistance systems (including lidars, radars, sensors, cameras, ECUs and integration platforms), central computing units, wireless access systems, in-vehicle infotainment head units and chassis electronics ; 3) Others electrical & electronic components, including wires and sensors

For BEVs, components accounting for 67% of vehicle value are predominantly made in Europe, with a further 16% largely made in Europe

BEV EU Component availability – Total¹⁾ ex-works price of vehicle components (excl. battery) [EUR]

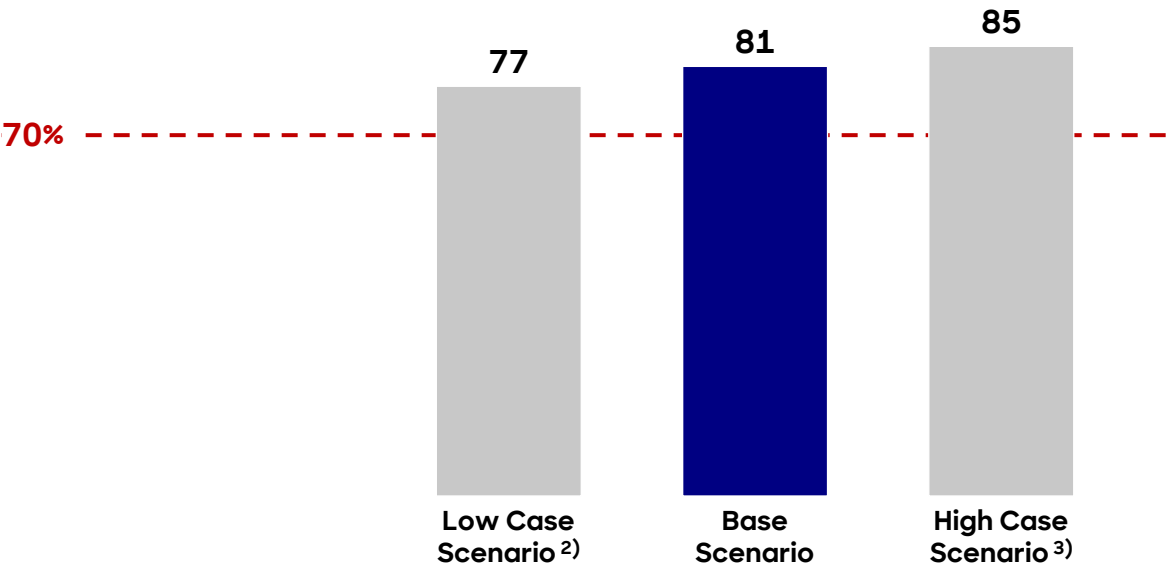


1) Totals may not equal the sum of components due to independent rounding ; 2) Main electronic systems means advanced driver assistance systems (including lidars, radars, sensors, cameras, ECUs and integration platforms), central computing units, wireless access systems, in-vehicle infotainment head units and chassis electronics ; 3) Others electrical & electronic components, including wires and sensors

Even under conservative assumptions on the share of EU sourcing, the 70% EU local content threshold is met for both PHEV and BEV

Simulation of the EU content¹⁾ per car based on different levels of EU sourcing (%)

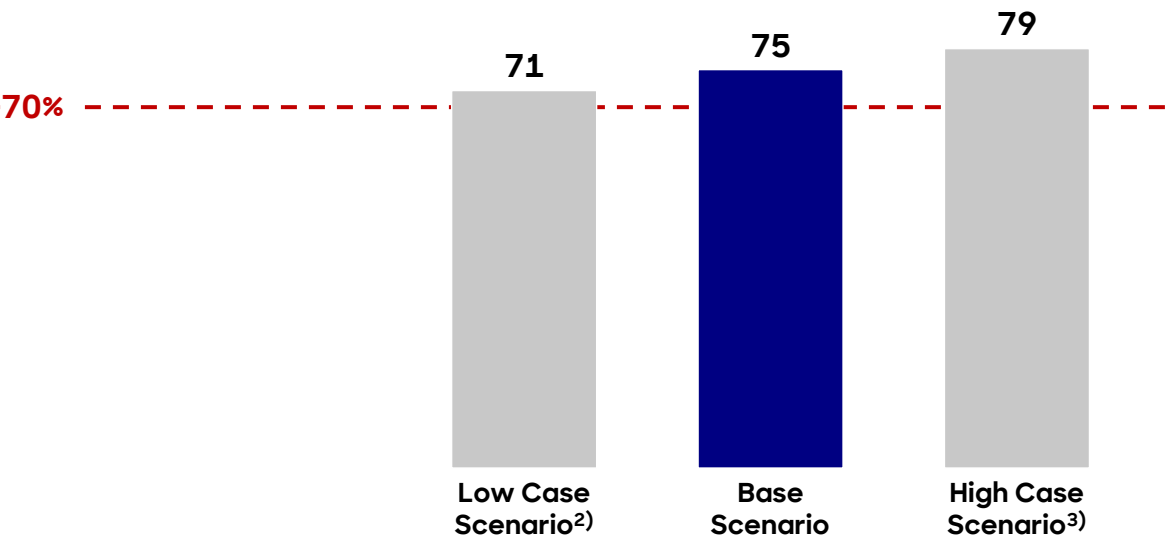
PHEV vehicle



Assumed Europe sourcing share

Predominantly Made in EU	100%	100%	100%
Large Made in Europe	25%	50%	75%
Predominantly Not Made in EU	0%	0%	0%

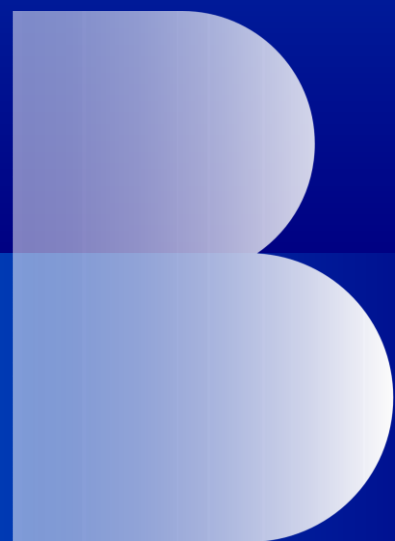
BEV vehicle



Assumed Europe sourcing share

Predominantly Made in EU	100%	100%	100%
Large Made in Europe	25%	50%	75%
Predominantly Not Made in EU	0%	0%	0%

1) EU value share is calculated as the ratio between the total ex-works price of vehicle components – excluding the vehicle battery – originating in the Union and the total ex-works price of all vehicle components – excluding the battery



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