THE FUTURE AUTOMOTIVE PARTNERSHIP (JOINT UNDERTAKING)

Position Paper, July 2026

Executive Summary

The European Automotive Industry Associations welcome the European Commission's announcements in the *Industrial Action Plan for the European automotive sector*[1] to strengthen its competitiveness.

This plan includes establishing a *European Connected and Autonomous Vehicle Alliance* and *a dedicated Automotive Joint Undertaking (JU).* We support these initiatives as strategic instruments to enhance the competitiveness, technological sovereignty, and sustainability of the European automotive sector, fully in line with the Competitiveness Compass[2] strategy.

As leading investors in research and innovation, automotive manufacturers and suppliers remind us that, for global competitiveness, closing the innovation gap is essential.

We must accelerate innovation from research to scale-up, prioritise impact, and facilitate large-scale innovation initiatives with substantial industrial participation and leadership. With the proposed **Joint Undertaking (JU)**[3] We will align industry resources and de-risk investments with public funding across automotive value chains throughout Europe.

The objectives are:

- **Accelerate Automotive Innovation:** reduce time to market by 50%.
- **Foster Digital Innovation:** foster innovation in digital technologies, enhancing competitiveness through AI, SDV, in-vehicle computing, connectivity, automation, and data-driven solutions.
- **Integrate Sustainability:** integrate sustainability, affordability and environmental performance throughout the value chain, addressing carbon neutrality, LCA, circular economy and resilience.
- **Increase Research Capacity:** enhance R&I capacity for competitive automotive value chains throughout Europe.

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[1] COM/2025/95, *Industrial Action Plan for the European Automotive Sector*
[2] COM/2025/30, *A Competitiveness Compass for the EU*
[3] *Without prejudice to the next MFF proposal's package*

A strong European automotive industry that creates value for Europe, provides jobs and contributes to the economy.

The automotive industry is vital to the European economy, providing jobs and driving growth, contributing approximately €1 trillion to the EU's gross domestic product. Nevertheless, the industry is undergoing a drastic transformation, and the US and China are challenging Europe's competitiveness.

The Union must put industrial needs and strategies at the centre of translating research and innovation into commercialisation. Investments are crucial to addressing societal challenges while enhancing the EU's competitiveness and ensuring quality of life. European technology sovereignty requires investments from both public and private actors to maintain expertise in Europe, thereby strengthening manufacturing, job security, and growth.

As leading investors in research and innovation, automotive manufacturers and suppliers are ready to take joint action to enhance EU competitiveness and bridge the innovation gap.

The future Automotive Partnership (Automotive JU) must be instrumental in implementing strategically coordinated efforts rapidly to generate impact at an unprecedented scale. As the largest public-private R&I initiative in the automotive industry, the Automotive JU will boost global competitiveness while addressing societal challenges that will benefit users and society.

- The Automotive JU will align resources for research, innovation and deployment in the automotive sector across the value chain towards a shared vision and foster collaboration between stakeholders in a growing ecosystem for innovation by implementing a long-term R&I (SRIDA) agenda.
- The governance of the Automotive JU must embody agility and efficiency with minimal bureaucracy to accelerate innovation through high-level steering from industry leaders, the European Commission and potentially also Member States.
- The execution of the Automotive JU programme needs simplification and relentless efforts to reduce administrative burdens by aligning with industrial realities and harmonised reporting. Mixed funding sources should by no means lead to further complexity, fragmentation and delayed processes. Further, different funding rates across Member States will lead to fragmentation and risk imbalanced competition within the single market. Single sources and one set of rules are preferable.
- On the high value of in-kind contributions versus mandatory direct financial contributions from private-side actors in the automotive sector: Co-investment should be mainly in the form of in-kind contributions without any obligation to make a financial contribution. Collaborative projects with industry lead to an internalisation of knowledge and strengthen collaboration networks. Therefore, in-kind contributions are highly valued as this industry investment forges a win-win situation for all involved partners from industry, research partners and start-ups with direct impact. The financial contribution obligation would disincentivise industrial participation, leading to less collaborative R&I, which does not significantly strengthen the EU innovation ecosystem.

By uniting resources, the Automotive JU will ensure Europe's leadership in shaping the future of the automotive industry.

The future Automotive JU should build upon **agile, lean, and low-bureaucracy governance** to accelerate innovation, involving **high-level steering from industry leaders** and the European Commission:

- Large-scale innovation actions with significant industrial participation and leadership.
- Less fragmented budgets and focused topics enable innovation actions with industrial participation across the value chain, and high visibility.
- The overall budget estimate for such a programme could exceed 1% of the annual R&I sector expenditure, implementing collaborative research and innovation actions with indicatively **8 to 10 bn Euro.**
- The partnership structure will involve various stakeholders across the value chain in innovation areas, advancing technologies from applied research to industrialisation. The Automotive JU will accelerate innovation and drive the transition to a greener, digital future.

Governance

- Governing Board: Strategic decision-making and oversight with high-level steering from industry leaders (e.g. C-Level), the European Commission and potentially also Member States;
- Coordination Group: develop and maintain the strategy of the programme; prioritise recommendations for research and innovation (with the automotive industry in the lead);
- Expert Committees: develop technological roadmaps in the innovation areas as main contributions to the SRIDA; propose and prepare recommendations for research and innovation actions;
- Executive Director and Programme Office: Day-to-day operations and project implementation;
- States' Representatives Advisory Group for National level coordination and a Scientific Advisory Committee for Expert advice on technical and strategic issues.

We therefore propose to the European Commission and the Member States to continue to work with us for the formation of this Automotive Joint Undertaking for launch planned early 2028.

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