

Europe's green transition shouldn't depend on imported car parts

European automotive suppliers announced nearly [19,000 job cuts](#) in just the first half of 2026, marking a third consecutive year of significant workforce reductions. At the same time, EU automotive exports fell to €24.4 billion in H1 2026, down from €28.9 billion two years earlier.

Behind these figures are people whose jobs and livelihoods depend on Europe's ability to remain a competitive manufacturing base. And when we look at the batteries, smart electronics, components and clean technologies behind the cars of tomorrow, who is actually going to build them? Every month of political delay adds to the uncertainty of whether Europe will keep the workforce here at home to manufacture the clean, affordable mobility solutions that consumers want.

The human costs behind the political debates

If we want the clean transition to be fair and strengthen Europe's industry, we need to make sure the components behind it are built here in Europe, too. We must decide which industrial capabilities are needed to avoid creating new strategic dependencies, particularly in critical technologies such as batteries.

The role of the EU's Industrial Accelerator Act (IAA) is to ensure that the enabling technologies also create opportunities for European investment and jobs. A minimum of 75% of a vehicle's components must be made in Europe to maintain manufacturing capacity and safeguard Europe's workforce. Every percentage point the component threshold is reduced below this level puts 15,000 European jobs at risk, according to [latest figures](#).

The [EU-China trade understanding](#) on hybrid vehicles protects finished vehicle assembly but leaves the supply chain entirely exposed to imported parts. Final assembly alone is not enough; only a firm, component-level Made in Europe definition within the IAA can guarantee that the green transition delivers genuine domestic value creation. However, while the IAA serves as a crucial tool against unfair competition, it cannot restore Europe's industrial competitiveness on its own.

From political momentum to decisive action

After a long period of political deadlock, Europe's automotive debate is finally moving forward. Recent milestones, including the [Franco-German](#) agreement and the Parliament Committees' votes on the CO₂ regulation, demonstrate a growing urgency to safeguard European employment and manufacturing. They also signal a welcome recognition of automotive suppliers' needs.

However, acknowledging these needs is not enough. While the new proposals around the CO₂ standards increasingly incorporate the necessity of technology neutrality, further refinements are essential. A genuinely open approach is required to secure a realistic path to decarbonisation, which is ultimately the only way to protect jobs.

The task now is to turn this momentum into a cohesive strategy that aligns Europe's climate objectives with technological flexibility in the face of unfair competition. Europe's ambition to lead in

future mobility depends not only on the pace of electrification, but also on its ability to develop and manufacture its technologies competitively.

The Council and European Parliament have a closing window to turn the string of political agreements into coordinated action. For automotive suppliers, timely decisions are the only way to secure conditions for long-term investment, and to sustain skilled employment across Europe.

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