

Press release

Tariffs might buy us time, but won't reverse the threat to EU competitiveness

Brussels, 12 June 2024 – **The European Commission today announced its provisional decision to increase tariffs on battery electric vehicles (BEVs) manufactured in China and exported into the European Union. The additional tariffs, ranging from 17.4% to 38.1%, seek to redress a distortion of competition due to subsidisation and will be added to the existing tariff of 10%. Unless China and the EU are able to resolve the issue, the tariffs will apply as of 5 July the latest.**

Benjamin Krieger, Secretary General of CLEPA, stated: "The European Commission is right to be concerned about the competitiveness of the EU as a manufacturing hub and the challenges posed by Chinese manufacturers, but tariffs can only provide a temporary respite and bear the risk of retaliation.

Global trade requires a level-playing field and may necessitate corrective measures. However, protectionism cannot be the answer to restoring European competitiveness. Consolidated efforts are needed to make the EU attractive again for investment."

China's automotive market represents a third of the global industry, and many European suppliers provide components and systems to both international and Chinese automakers. Even Chinese-built BEVs often incorporate many components and technologies manufactured by European suppliers.

Vehicle manufacturers and suppliers are accelerating product development cycles and investing roughly €70 billion annually in R&D to reinforce their competitive edge. Europe's main challenge is not a lack of innovative capacity but rather high energy costs, regulatory incoherence, and limited access to capital and public funding, which increasingly lead to innovations being manufactured abroad.

Instead of relying on protectionist measures that could hamper European companies' access to crucial markets, EU policymakers should focus on making the EU more competitive.

CLEPA identifies five priorities to strengthen EU competitiveness:

1. **Bolster investment for industrialisation:** Establish an EU industrial transformation fund to derisk investments of innovative green and digital mobility innovations, with special focus on existing facilities and key technologies for climate-neutral mobility.
2. **Create a supportive regulatory environment:** Develop a coherent and enabling regulatory framework for the automotive industry, with emphasis on technology-openness, a reduction of the administrative burden and realistic targets.
3. **Affordable and secure supply of energy and raw materials:** Reduce the cost of manufacturing by lowering energy prices, promoting the deployment of renewable energy, and concerted efforts to help diversify the raw materials supply chain.

4. **Develop critical infrastructure:** Foster a coordinated approach among member states to strengthen enabling conditions, such as the deployment of charging and refuelling infrastructure, green hydrogen and carbon-neutral fuel production, and the development of the grid and digital infrastructure.
5. **Support market access:** Strengthen the Single Market, including through regulating access to in-vehicle data to foster the development of digital mobility services. Facilitate access to global markets, capital and skilled workers through a coordinated effort among EU member states.

By addressing these priorities, CLEPA aims to enhance the competitiveness of the European automotive industry, ensuring it remains a global market leader and at the forefront of innovation and sustainability.

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.

Interested in more information?

You can contact CLEPA's Head of Strategic Communications [Filipa Rio](#).