

## **CO2 regulation review needs to secure tech neutrality over the long-term | September Editorial**

**The debate on the CO2 regulations for cars, vans and trucks is back on the agenda earlier than foreseen with prominent calls for a review already next year. It brings a critical issue to the forefront for Europe’s automotive sector: how to reach climate neutrality while maintaining competitiveness. The relevance of this debate has been underscored by Mario Draghi’s report on EU competitiveness, which emphasises that the technology neutrality principle “has not always been applied in the automotive industry”.**

The automotive suppliers in Europe have long supported climate neutrality. However, the current regulatory framework for reducing the climate impact of mobility seems to meet its limitations. The approach is too prescriptive in terms of technology, placing unnecessary restrictions on innovation, threatening both the industry’s economic competitiveness and its ability to meet environmental goals. We are already seeing the effects of economic strain on suppliers and manufacturers alike, with warnings of job cuts and sluggish electric vehicle sales.

CLEPA supports a substantial review of the regulations guided by the principle of technology neutrality. Stricter targets set for next year create immediate pressure, while the 2035 ban on combustion engines, even in advanced hybrid configurations, is locked in by the 100% emissions reduction target. The pathway to achieving these targets must be reassessed to ensure technology openness and to consider emissions over the life-cycle of the vehicle. The transition towards electrification needs to succeed but we will need all emission-reducing technologies to achieve our objectives.

### **Strengthening the course**

Achieving climate targets does not require reversing course but demands a jointly supported position that ensures industrial strength, job protection, and market competitiveness. Alongside the review of the CO2 fleet regulation, we need to improve access to funding and de-risk investments in green and digital innovation, accelerate the rollout of charging and refuelling infrastructure, and ensure the development of a strong EV supply chain in Europe and access to raw materials. Equally crucial is improving the EU’s overall competitiveness by securing affordable energy supplies, reducing regulatory burdens, and ensuring access to key markets. We are looking forward to a more concrete exchange on the EU industrial action plan for the automotive sector, as mentioned in the Draghi report and mission letter for Commissioner-designate for transport, Apostolos Tzitzikostas.

The green transition is interlinked with digitalisation, and a clear ruleset on access to a vehicle’s data is paramount for driving fair competition in the aftermarket and data-based services.

The road to climate neutral and smarter mobility will be challenging, but with the right policy measures in place, it is possible to meet environmental, industrial, and social needs. The next step is clear: policy makers must take decisive action and engage with the industry to ensure a future that supports both sustainability and competitiveness, healthy volumes and industrial strength.

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