

# Strategic Dialogue: Technology diversity is the only long-term solution

Brussels, 30 January 2025

- **Automotive suppliers call for urgent regulatory adjustments and a long-term strategy to secure industrial competitiveness, investment, and jobs.**
- **A technology-neutral approach—including plug-in hybrids, range extenders, hydrogen, and sustainable fuels, complementing electrification at the core—is essential to ensuring Europe’s leadership in sustainable mobility.**

The European association of automotive suppliers welcomes the Commission President’s initiative to organise the Strategic Dialogue for the Future of the Automotive Industry and the announcement of the upcoming Action Plan. This dialogue is a critical step in addressing key challenges for the sector’s immediate future. CLEPA stresses the need for actionable conclusions following this dialogue, and a clear long-term vision to provide business certainty.

“Suppliers announced the loss of 54,000 jobs in 2024. More than in the pandemic. This is no longer lightning at the horizon—the impact is real, and it is happening now. Automotive suppliers need urgent action,” says Matthias Zink, CLEPA President. “We call for a regulatory recalibration, with a specific focus on a multi-technological approach. A solution for the short-term pressure created by the 2025 target is important. But this should come in the form of a package, with a view to the long term: A technology-open framework up to 2035 and beyond. Short-term fixes are not enough. We need a long-term strategy that secures industrial competitiveness, investment, and jobs.”

He continues: “The EU has started building the house from the roof down. Climate policies on decarbonisation should instead focus on energy sources and fossil fuels reduction, rather than prescribing specific technologies or final products. With 2035 fast approaching, Europe risks falling behind unless it embraces a broader technological bridge towards electrification—including plug-in hybrids, range extenders, hydrogen, and sustainable fuels.”

CLEPA appreciates the European Commission’s efforts to foster dialogue and create a framework for the industry’s future. However, the Strategic Dialogue discussions must lead to concrete measures that align climate goals with industrial realities. CLEPA and its member companies are committed to engaging with the European Commission to advocate for key priorities that are essential to maintaining the industry’s competitiveness:

- Broaden the CO2 regulations and enable multiple technology options: Ensure a technology-open approach by integrating PHEVs, range extenders, hydrogen and sustainable fuels alongside electrification.
- Align policies with industrial competitiveness: Streamline regulatory instruments into a coherent framework that enables transformation and reduces bureaucratic burden on businesses, particularly SMEs.
- Ensure affordable and low-carbon electricity and access to critical raw materials: Strengthen energy infrastructure and supply chains to secure competitive electricity

prices and reliable access to essential materials, supporting Europe's industrial and climate goals.

- De-risk green and digital investments: Expand public funding to support the industrialisation of clean technologies, ensuring Europe's leadership in sustainable mobility.
- Scale up infrastructure and workforce readiness: Accelerate investment in charging grids, hydrogen, digital infrastructure, and skills development to enable a successful transition.
- Secure strong R&D funding in FP10: Maintain Horizon Europe-level funding for pre-competitive and collaborative research to sustain Europe's innovation leadership.
- Ensure fair competition and a working marketplace for digitalisation: Establish a regulatory framework that fosters fair access to vehicle data, driving innovation, better engineering, and new market opportunities.
- Boost EU competitiveness in global trade: Strengthen Europe's position as a manufacturing and investment hub to ensure long-term global competitiveness for the automotive supply industry.

#### Note to the editor

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.

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