



## **Future of the European Automotive Industry**

### **REPLY TO EC PUBLIC CONSULTATION**

**February 2025**

The European Conference of Transport Research Institutes (ECTRI) is an international non-profit association that was officially founded in April 2003. It is the first attempt to unite the forces of the foremost multimodal transport research centres across Europe and to thereby promote the excellence of European transport research.

Today, it includes 29 major transport research institutes or universities from 20 European countries. Together, they account for more than 3,000 European scientific and research staff in the field of transport. ECTRI as the leading European research association for sustainable and multimodal mobility is committed to provide the scientifically based competence, knowledge and advice to move towards a green, safe, efficient, and inclusive transport for people and goods.

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## 1. Introduction

The automotive industry is a vital engine for European prosperity, supporting over 13 million direct and indirect jobs and contributing approximately €1 trillion to European gross domestic product. Beyond the economic impact, the industry ensures the safe and affordable mobility of European citizens and businesses, producing products that are globally admired.

The European automotive and supplier industry is undergoing a profound and transformative shift. The European Commission acknowledged the urgent need to take measures that will both protect the European automotive industry and ensure its continued prosperity within the European Union. In this context, President von der Leyen has launched a strategic dialogue on the future of the European automotive industry and tasked Commissioner Tzitzikostas to present an Action Plan on the 5<sup>th</sup> of March 2025.

The Action Plan will address a broad range of issues relevant for the sector, such as ensuring access to talent and resources, fostering technological innovation and the development of next-generation vehicles, and establishing a pragmatic and predictable regulatory framework.

In that context, a public consultation has been launched on January 30, 2025 to gather wider input on challenges and potential solutions from all interested parties.

This public consultation invites all participants to share their views and information on the main themes on which urgent action is needed to give the automotive industry a solid future in Europe and identify potential solutions.

The themes and topics within them have been detailed in a concept paper<sup>1</sup> that the Commission has published ahead of the start of the strategic dialogue.

The European Conference of Transport Research Institutes (ECTRI) welcomes the opportunity offered to share feedback on the main themes related to the future of the European Automotive Industry.

One of the main mission of ECTRI, as reaffirmed in its strategy 2021-2030 published in December 2020<sup>2</sup>, is *“to provide independent, evidence-based advice to decisions makers in Europe”* with a strategic objective *“to shape European programmes and policies”*.

ECTRI would therefore like to provide herewith its further views to the different questions raised in the open public consultation.

We hope these replies will help to enrich the Action Plan that the European Commission is preparing on the future of the European Automotive Industry.

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<sup>1</sup> Concept note, Strategic Dialogue on the Future of the Automotive Industry, European Commission, January 2025 - [https://ec.europa.eu/commission/presscorner/detail/en/ac\\_25\\_297](https://ec.europa.eu/commission/presscorner/detail/en/ac_25_297)

<sup>2</sup> ECTRI Strategy 2021-2030, December 2020 - [https://www.ectri.org/wp-content/uploads/2021/01/2020-12-07\\_ECTRI-STRATEGY\\_2021-2030\\_Final.pdf](https://www.ectri.org/wp-content/uploads/2021/01/2020-12-07_ECTRI-STRATEGY_2021-2030_Final.pdf)

## 2. Responses to the questionnaire

### 1. Are there additional themes that should be added to the upcoming EU industrial action plan for the automotive sector? If so, please list them with a short explanation why.

ECTRI suggests to consider **three additional themes** to be added to the upcoming EU industrial action plan for the automotive sector:

**Strengthening (industrial) leadership through Mobility Transformation:** to ensure that the automotive sector remains competitive, while meeting the evolving expectations of society and all users, broad acceptance and adoption of mobility innovations is needed. This calls for a systemic integration of the automotive sector with public transport, logistics, shared mobility services, digital infrastructure and mobility-related services such as ICT and energy, which in turn requires cross-sector cooperation and R&I activities. This approach addresses the pressing need for seamless, sustainable and user-centred transport solutions, resilience and innovation.

**Investing in Technology Research Infrastructures:** investing in cutting-edge technology research infrastructures –such as advanced laboratories, simulation centres, and specialized testbeds– ensures that Europe remains at the forefront of automotive innovation. These infrastructures, preferably situated at research institutions to ensure open access as well as independent research, foster cross-sector collaboration between academia, industry, and government, enabling rapid prototyping and iterative development of next-generation automotive solutions. Enhanced research facilities also provide the critical backbone for long-term strategic planning, ensuring sustained competitiveness in a rapidly evolving global market.

Lastly ECTRI suggests to also specifically consider the **social effects of the automotive industry** and its products/services in Europe in the strategic dialogue and the industrial action plan. This would allow to address, among others, social topics including challenges due to the increased competitive pressure on the European OEMs (Original Equipment Manufacturers) and how that affects the quantity and quality of jobs offered in the wider automotive industry. Examples of concern include the lack of certain drivers, the risks of job losses in manufacturing or of degradation of working conditions, lagging engineering and innovation capacity). Additional aspects to take into account include the impact of the automotive industry products and related services in lifestyles and in the quality of life of Europeans in cities and rural areas. The initiative shall address issues such as the positive or negative impacts of different categories/sizes of vehicles in the liveability of cities or the improvement of rural living conditions, the relevance of such vehicle categories/designs as social segregators or to foster social inclusion, etc.

## 2. Do you have any other comments or remarks as regards the EU industrial action plan for the automotive sector?

ECTRI warmly welcomes the development of an EU industrial action plan for the automotive sector and the willingness of the European Commission to take decisive action to protect prosperity, meet climate goals, and ensure a fair transition with high-quality jobs and skills.

ECTRI appreciates the opportunity to share views on this initiative and would like to provide the following additional comments:

**The title of the first theme should be “Research and Innovation and leadership in future technologies”.** ECTRI considers that Research and Innovation (R&I) provides the foundation for disruptive innovation and should be at the core of any action plan to support the transition of the European automotive industry to integrate emerging technological challenges, to align its products with Paris decarbonisation objectives and to recover global competitiveness. In particular, room should be given for lower TRL research in order to build the foundation for truly innovative, and potentially disruptive, technologies and solutions.

**Business as usual approaches based on incremental innovation are no longer sufficient.** Global experience shows that, without disruptive innovation, the European automotive industry will not remain “a core engine for European prosperity”. The research community is eager to contribute, doubling upon the efforts it has done in the last years through collaborative research and partnerships with the industry, to boost realisation of brand-new, unique insights into competitive implementations and offers, while also achieving key societal and environmental objectives.

**The strategic dialogue needs to take R&I at its core.** For doing so, it will be necessary to fully integrate in the process the relevant stakeholders, including the transport research community that provides the bulk of the basic and applied research, and the innovative and disruptive start-ups, which are able to quickly bring such research to markets. Therefore, we recommend the European Commission to integrate in the future Senior Steering Group and Thematic Working Groups such stakeholders through its relevant networks and associations, such as ECTRI.

**There is a need for targeted funding mechanisms in MFF and FP10:** In the upcoming MFF negotiations, a strong FP10 with predictable funding along the entire chain of technology readiness levels is needed, from basic research via applied research towards market-ready products. Within FP10, tailored instruments are needed such as the strategic partnerships (CCAM, 2ZERO, ZEWT) as they have demonstrated their value in fostering innovation and cross-sector and interdisciplinary collaboration. Their continuation and expansion within the next research and innovation framework programme (FP10) will ensure sustained progress in key areas like autonomous mobility, digital infrastructure, emission reduction, and next-generation energy storage solutions.