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Resolution on strengthening the territorial dimension in the implementation of the Industrial Action Plan for the European Automotive Sector

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THE EUROPEAN COMMITTEE OF THE REGIONS (CoR),

HAVING REGARD TO:

the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Industrial Action Plan for the European automotive sector ([1]);

1. welcomes the European Commission's efforts to support the automotive sector's transition towards clean mobility, digitalisation, and enhanced competitiveness through the publication of the Industrial Action Plan for the European automotive sector (Action Plan);

2. despite the attention given to the European Committee of the Regions in the consultation process, regrets the lack of consideration given to the territorial dimension in the Action Plan and the absence of place-based solutions in the proposed measures;

3. acknowledges the fact that the review of the Regulation setting CO_2 emission performance standards for cars and vans will be carried out already in 2025; recognises that the targeted amendment of the Regulation could provide flexibility for automotive industries while pursuing the overall climate objectives of the EU in a pragmatic way combined with a robust industrial policy; however, considers this amendment to be insufficient to address the crisis in the sector and to create regulatory certainty;

4. warns against the frequent legislative adjustments that compromise predictability for the EU industry and impede the industrial transition. These adjustments risk undermining the competitive edge of European automotive industries in the global market. In particular, fears that such changes could jeopardise our commitment to electrifying the automotive sector and achieving zero emissions from new cars and vans by 2035. To effectively address future challenges, we must uphold decisively our agreed-upon objectives and strengthen the regional dimension of the plan;

5. urges the Commission to take a more gradual approach with full technology neutrality as a core principle in the review of the CO_2 emission performance regulation as highlighted by President von der Leyen and to bring forward the review of the Regulation as soon as possible;

6. notes also the technological and market constraints in the deployment of zero- and low-emission heavy-duty vehicles, and urges the Commission to consider, similarly to cars and vans, an earlier review and flexibilities in the regulation setting CO_2 emission standards for heavy-duty vehicles;

7. warns that regulatory changes will create instability, hinder predictability and industrial progress, and therewith put Europe's automotive sector at a competitive disadvantage;

8. points out the absence of a coherent EU industrial policy for the automotive sector as underlined in the Draghi report ([2]); calls for an overarching European transition strategy for the automotive industry to preserve this vital economic sector for the EU's prosperity and growth;

9. calls for low-emission drives with various technological approaches to be promoted consistently. Alongside electromobility, hydrogen, synthetic fuels and plug-in hybrids must be considered as equally valid options for cutting CO_2 emissions. Innovation-friendly regulation should ensure that all technologies can be further developed under fair conditions;

([1]) COM(2025) 95 final.
([2]) https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en#paragraph_47059.

10. underlines that international competition is putting the EU under increasing pressure to reinforce its efforts to develop sustainable solutions in the automotive sector; emphasises that, with geopolitical and trade policy shifts under way, primarily in transatlantic relations, there is an additional and urgent need to act, including alternative fuels such as e-fuels and biofuels, which will allow this transition to succeed without compromising the sector's competitiveness;

11. welcomes the recognition of the multiple challenges faced by regions dependent on the automotive industry, as set out in the communication relating to the publication of the mid-term review (MTR) of cohesion policy ([3]);

12. emphasises that electrification of cars and vans remains the most effective path to carbon neutrality in the automotive sector and a key driver of global competitiveness.

Stresses the need to expand and enhance charging infrastructure to ensure widespread, accessible, and reliable coverage that meets growing demand. Highlights the importance of making charging more affordable in the long term to support this transition;

13. points out that, as shown in a recent study from the CoR on the *State of play and future challenges of automotive regions* ([4]), a successful transition of the automotive industry plays a decisive role in ensuring the long-term attractiveness of the regions;

14. underlines the importance of involving local and regional authorities in the planning and implementation of EU-wide recharging and refuelling infrastructure as a key element for the competitiveness of Europe's automotive sector. Consequently, encourages partnerships between public and private sectors to accelerate the development of such infrastructure by simplifying permitting procedures and providing financial incentives, thus ensuring equitable access and affordability;

15. stresses the importance of involving, and taking into account the views and solutions proposed by, automotive regions and regional automotive clusters in achieving a just transition, and underlines that the CoR has set up the Automotive Regions Alliance (ARA) to promote their voices at EU level;

16. emphasises that the Regulation on the CO_2 emission performance standards for cars and vans recognises the ARA as a partner for the European Commission to identify any funding gaps in ensuring a just transition in the regions most heavily affected by the green and digital transition;

17. welcomes the recent OECD study on the future of automotive value chains ([5]) underlining the key role of regions in attracting foreign direct investment (FDI) and linkages to SMEs, and points out that automotive regions and regional automotive clusters are providing answers that range from social support and training opportunities for workers, to supporting innovation ecosystems, to the shaping of forward-looking industrial and mobility policies;

18. welcomes the European Commission's plan to set up a European Connected and Autonomous Vehicle Alliance. The aim is to press ahead with the development and production of hardware and software components for connected and autonomous driving, thereby ensuring Europe's competitiveness and resilience; calls on the European Commission to take on board the experience and concerns of the regional level when drawing up a comprehensive regulatory framework for autonomous vehicles;

19. points out that the Commission's Economics Brief on 'Mapping the impact of industrial decline on European regions' ([6]) recognises the important role of the Automotive Regions Alliance in identifying the impact of industrial decline across automotive regions and its relevance in informed policy decisions on where to focus the allocation of EU funds;

([3]) *A modernised Cohesion policy: The mid-term review. COM(2025) 163 final.*
([4]) *State of play and future challenges of automotive regions*, CoR study.
([5]) OECD SME and Entrepreneurship Papers, *The future of the automotive value chain – Implications for FDI-SME linkages.*
([6]) https://single-market-economy.ec.europa.eu/publications/mapping-impact-industrial-decline-european-regions_en.

20. underlines that the automotive sector plays a key role for the manufacturing industry in many Member States and that it is clustered in several regions, where the assembly of cars and the whole supply chain play a key role for economic growth, providing jobs and investment in R&D; highlights that the impact extends beyond regions where cars are assembled, often even more significantly affecting the regions hosting sub-production facilities of the automotive supply industry;

21. calls for an increase in funding for just transition across the next long-term budget of the EU, particularly through a strengthened cohesion policy to address the existing regional disparities and promote place-based solutions, to ensure that support is tailored to the specific needs of each region, in particular those most affected by the transition to climate neutrality;

22. calls for further support for regional innovation ecosystems, particularly through smart specialisation strategies and dedicated actions to promote interregional cooperation between automotive regions along the value chain;

23. calls for promoting the purchase of locally sourced components to reduce CO_2 emissions and the carbon footprint, and for encouraging economic support instruments for businesses to include evaluation criteria that promote purchasing from suppliers within the EU;

24. calls for not only regulatory simplification but also a change in the requirements regarding aid for the sector to promote and increase investment by the European automotive sector;

25. considers it essential to implement comprehensive upskilling and reskilling programmes to strengthen the skills and expertise of both the current and future automotive workforce. These initiatives should be tailored to meet the evolving demands of the automotive industry, address workforce shortages, and adapt to the challenges of an aging labour force, also with regard to the sector of vehicle maintenance and repair, which, due to technological transition, risks undergoing a significant structural downsizing;

26. underscores the importance of research and development for the future competitiveness of the automobile industry; therefore calls for more EU research funding for cutting-edge and basic research;

27. calls for the creation of a territorial dialogue on just transition based on strong partnerships between social partners and public authorities at all levels of governance with the objective of finding place-based solutions;

28. calls for the creation of an 'implementation dialogue with automotive regions' aimed at establishing a structured platform for automotive regions and regional automotive clusters to hold exchanges with the Commission on best practices and contribute to implementing the measures of the Action Plan;

29. underlines that the CoR, with its Automotive Regions Alliance (ARA), Automotive Intergroup (CoRAI) and linkages to the work of the Automotive Skills Alliance (ASA) and the European Semiconductors Regions Alliance (ESRA), stands ready to facilitate the exchanges with the Commission on the implementation of this Action Plan with local and regional knowledge to ensure a balanced and inclusive transition of the automotive sector as well as to pursue joint objectives and create ownership under the Strategic Dialogue on the Future of the Automotive Industry.

Brussels, 3 April 2025.

The President
of the European Committee of the Regions
Kata TÜTTŐ