

# EUROPE'S AUTOMOTIVE INDUSTRY

NAVIGATING TECHNOLOGICAL CHANGE, MARKET COMPETITION  
AND POLITICAL INFLUENCES

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The European automotive industry is at the heart of the European economy, providing jobs to ~13 million Europeans & contributing 7% of the EU's GDP.



Reducing CO<sub>2</sub> emissions remains a top priority. E-mobility is the main path forward; we've invested hundreds of billions of Euros into this transformation.



However, the transition to electric vehicles varies by region.



What's more: trade disputes, volatile markets and crises complicate global free trade, placing substantial pressure on the European automotive industry.



With competition intensifying, we must raise our game through innovation and conviction; protectionism won't help, so "Made in Europe" rules require caution.



Against this backdrop - and with the Mercosur setback in mind - the EU-India FTA is a historic chance to boost Europe's economy.



At the same time, the EU faces an ongoing decline in competitiveness mainly due to a lack of coherent industrial policy and regulatory framework.



According to IMF forecasts, nearly 90% of global economic growth by 2030 will occur **outside** the EU

High costs for energy and bureaucracy increase production expenses

*“One year on, Europe is in a harder place. Our growth model is fading.”*  
Mario Draghi, former President ECB

The EU Commission's automotive package can only be the first step; ACEA requests full technology neutrality and more flexibility.



CO<sub>2</sub>-regulation is too rigid, need more flexibility

2030: compliance relief not sufficient, should be strengthened

Delaying compensation mechanism to 2035 slows green fuels & materials

Clean Corporate Vehicles: incentives work better than quotas

Initiatives to boost battery production & simplify regulations welcome

Building a resilient, sustainable and competitive European value chain for zero-emission mobility will be crucial to the EU's strategic autonomy.

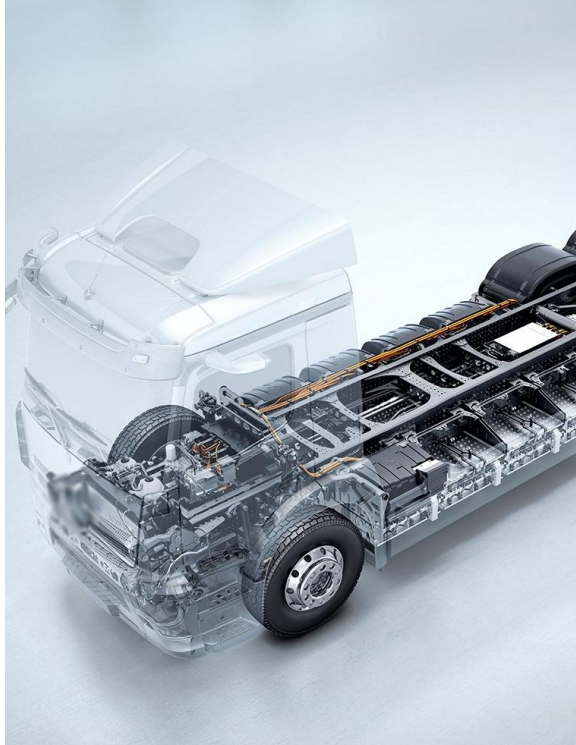


Overly stringent local content rules could lead to negative effects like increased costs or retaliation measures from trade partners

Incentivise investments in European green manufacturing

Long-term OPEX support is essential to ensuring EU battery resilience & a level playing field with non-EU manufacturers

# What other factors are critical for the European automotive industry to successfully drive forward the decarbonisation of mobility?



Need to intensify efforts on EU-wide charging infrastructure and lower energy prices to support BEV ramp up

Need for a flexible and technology-neutral, yet ambitious “three-lane” decarbonisation pathway for cars, vans, and buses & trucks

Throughout this situation, ACEA will advise and contribute to ensure the successful future of the European auto industry.

