EUROPE'S INDUSTRY
EUROPE'S JOBS
OUR FUTURE

EUROPE MUST INVEST SO IT CAN MAKE WHAT IT NEEDS

Europe's automotive industry is at a critical crossroads.

Production sites are under pressure, employment is declining and workers are being asked to absorb the costs of restructuring. At the same time, **Europe risks losing production capacity, technological capabilities and strategically important parts of the automotive value chain**.

This outcome is not inevitable. It will depend on the policy and investment choices Europe makes now.

Europe has the industrial base, skilled workforce, technological expertise and innovative capacity to manufacture the vehicles and technologies of the future.

Realising that potential requires a clear European commitment: **investment supported by European policy and public resources** should strengthen production in Europe, reinforce European value chains and sustain quality employment.

EUROPE HAS THE CAPACITY TO INVEST

The debate over the future of the automotive sector is often framed around the affordability of maintaining production and employment in Europe. The financial performance of major manufacturers provides important context.

€469 BILLION
combined **net profit of the major European automakers**, 2012–2025

€189 BILLION
distributed to shareholders through dividends and spent on share buybacks over the same period

€177 BILLION
held in cash and short-term investments at the end of 2025

2025 DIVIDENDS
Even when the group recorded a combined **€12 billion loss** in 2025, **€17 billion was distributed to shareholders.**

The central policy question is therefore not only whether sufficient resources exist, but how available capital is allocated and how European policy can incentivise productive investment.

Europe needs **investment in industrial capacity, production sites, technology, R&D, skills and workers**.

The objective should be a competitive transformation of the European automotive sector — not the gradual erosion of its industrial base.

PUBLIC MONEY MUST DELIVER PUBLIC VALUE

Our research identified at least:

€4.9 BILLION+
in direct European grants, subsidies and tax incentives provided to major automotive companies

€2.1 BILLION
in repayable public loans used to support and de-risk private investment.

Public support is an essential instrument of European industrial policy. It should therefore be accompanied by **clear, enforceable and measurable conditions** that ensure European added value.

Too often, public support has been provided without sufficient guarantees concerning **employment, continued production, long-term investment or shareholder distributions**, and without effective clawback mechanisms where commitments are not fulfilled or subsidised facilities subsequently close.

European public resources should support European industrial capacity — not facilitate its relocation or decline.

Future support should be linked to measurable commitments on investment, production, skills, innovation and quality employment in Europe.

"MADE IN EUROPE" MUST INCLUDE THE VALUE CHAIN

A resilient European automotive industry requires more than final assembly. Europe should retain and develop strategic capabilities across the automotive value chain:

RAW MATERIALS ▪ BATTERIES ▪ POWER ELECTRONICS
SOFTWARE ▪ FINAL ASSEMBLY

The green and digital transitions represent an opportunity not only to decarbonise transport, but also to strengthen Europe's technological sovereignty, resilience and competitiveness.

Europe's transition policies should translate into industrial capacity, innovation and quality employment in Europe.

POLICY PRIORITIES

A EUROPEAN AUTOMOTIVE STRATEGY BUILT AROUND EUROPEAN ADDED VALUE

Europe needs a coherent automotive strategy that connects **public support, private investment and European demand** with production, innovation and employment in Europe.

Where vehicles benefit directly or indirectly from European public resources or regulatory incentives, eligibility should be linked to meaningful European added value, including a **minimum 80% European-content** threshold, as proposed in the Automotive Package.

But European content should not be defined by geography alone.

A credible "Made in Europe" approach should combine industrial criteria with quality employment, collective bargaining, high social and environmental standards, and fair conditions of international competition and trade reciprocity.

1. LINK PUBLIC SUPPORT TO BINDING CONDITIONS

European and national public support for automotive companies should be conditional on measurable commitments covering **investment, employment, collective bargaining, reskilling and protection against relocation**.

Publicly supported funds should not be used to finance dividends or share buybacks where agreed investment or employment commitments are not being met.

Effective clawback provisions should apply when companies fail to fulfil the conditions attached to public support.

2. MOBILISE EUROPEAN DEMAND TO STRENGTHEN EUROPEAN PRODUCTION

Europe has significant tools at its disposal to accelerate fleet renewal while supporting its industrial base.

Corporate fleets, public procurement and social leasing can help stimulate demand for cleaner vehicles while creating greater certainty for investment in European production and supply chains.

These instruments should be designed to maximise European added value, industrial investment and quality employment.

3. SECURE STRATEGIC VALUE CHAINS IN EUROPE

Europe should establish the conditions for strategic automotive capabilities to remain and develop within the EU.

This includes **raw materials, batteries, power electronics, software and vehicle assembly**, supported by investment in innovation, skills and infrastructure.

The objective should be resilient European value chains capable of competing globally while meeting high social and environmental standards.

4. MAKE EUROPEAN ADDED VALUE A CORE INDUSTRIAL-POLICY OBJECTIVE

European public policy should actively support vehicles and technologies that generate substantial value within Europe.

Made in Europe should mean value created in Europe.

That means **technology developed here, strategic components produced here, workers trained and employed here, and investment anchored here**.

Europe is making major decisions today about the future of mobility, industrial competitiveness and economic security.

Those decisions should ensure that the transition to the vehicles of the future also secures the future of European industry and its workers.