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## **A GREEN TRANSITION WITHOUT LOSING COMPETITIVENESS IN THE AUTOMOTIVE SECTOR. IT IS TIME TO ACT.**

The automotive industry has been one of the main pillars of the technological, economic and social development and growth of the EU for decades. The competitiveness of the EU automotive industry is seriously threatened. We face competition with other regions with lax environmental and labour regulation. Therefore, following the recommendations of the Draghi Report, we believe that it is time to act.

Castilla y León's automotive industry is fully committed to the goal of achieving climate neutrality by 2050. The automotive industry represents 15% of the region's GDP and directly employs more than 30.000 people. In accordance with the ACEA and CLEPA position, the cluster FACYL calls on the European institutions to review, within the framework of the Strategic Dialogue, the reality of our industry and to redefine policies and measures to achieve a green transition without losing competitiveness. In consequence, the Automotive Industrial Action Plan must ensure its coherence with the future Clean Industrial Deal.

Electromobility is an opportunity to achieve carbon neutrality faster. In those cases, like for instance heavy duty vehicles, in which electrification will take longer to reach, or that are difficult to electrify, it's important to contemplate other decarbonizations routes.

Measures to stimulate demand for light and heavy duty vehicles are urgently needed, as well as purchase and fiscal incentives and appropriate recharging and refuelling infrastructure.

The threat of OEM penalties for non-compliance with CO2 target for light and heavy duty vehicles in 2025 requires urgent and practical adjustment, taking into account the low demand of the EV market. It is time to find flexibility measures that enable the industry to comply without changing the main goals. In the meantime, it is key to foster the EV demand. Regarding heavy duty vehicles, based on the assessment of the availability of the enabling conditions, market and value chain realities, goals must be reviewed.

Financial resources, specially for SMEs to face green transition on the automotive value chain and to close the research and development gap, have to be implemented.

Funds for training are required to close the skills gap which the workforce needs for transition, as well as to reskill redundant workers in order to help them to find new jobs.

The European and Castilla y León industry have a huge potential to lead the technological transformation of mobility, with a strong R&D capabilities. In order to keep in the race is vital to improve speed, adaptability, and public-private cooperation.