THE FUTURE AUTOMOTIVE PARTNERSHIP (JOINT UNDERTAKING)

Position Paper, June 2025

Executive Summary

The European Automotive Industry Associations welcome the European Commission's announcements in the *Industrial Action Plan for the European automotive sector*[1] to strengthen its competitiveness. This plan includes establishing a *European Connected and Autonomous Vehicle Alliance* and *a dedicated Automotive Joint Undertaking (JU),* building on existing Partnerships in the road transport sector. We support these initiatives as strategic instruments to enhance the competitiveness, technological sovereignty, and sustainability of the European automotive sector, fully in line with the Competitiveness Compass[2] strategy.

The European Commission announced the establishment of the Alliance in the immediate period 2025-2027 to lead policy, funding and financing measures for connected and autonomous vehicles with a focus on harmonization and development of further recommendations for implementation.

As leading investors in research and innovation, automotive manufacturers and suppliers see 2025 as the year for bold actions to enhance global competitiveness and close the innovation gap. We must accelerate innovation from research to scale-up, prioritise impact, and facilitate large-scale innovation initiatives with substantial industrial participation and leadership.

We therefore plan to establish the largest Public-Private Research and Innovation (R&I) Partnership in the automotive industry, **enhancing EU competitiveness**. This proposed **Joint Undertaking (JU)**[3] will pool and align resources from industry and public funding in Europe for research and innovation actions in the automotive sector and across the value chain. The dedicated Partnership (JU)'s objective is to:

- **Accelerate Automotive Innovation:** reduce time to market by 40%.
- **Increase Research Capacity:** enhance R&I capacity for competitive automotive value chains throughout Europe.
- **Foster Digital Innovation:** foster innovation in digital technologies to enhance competitiveness through AI, SDV, in-vehicle computing, connectivity, automation, and data-driven solutions.
- **Integrate Sustainability:** integrate sustainability, affordability and environmental performance throughout the value chain, addressing carbon neutrality, LCA, circular economy and resilience.

[1] COM/2025/95, *Industrial Action Plan for the European Automotive Sector*
[2] COM/2025/30, *A Competitiveness Compass for the EU*
[3] *Without prejudice to the next MFF proposal's package*

The Rational

The automotive industry is vital to the European economy, providing jobs and driving growth. It contributes approximately €1 trillion to the EU's gross domestic product. Nevertheless, the industry is undergoing a drastic transformation, and the US and China are challenging European competitiveness. A sense of urgency exists to safeguard the sector and European prosperity while advancing our climate goals and broader societal objectives.

European technology sovereignty requires investments from both public and private actors to maintain expertise in Europe, thereby strengthening manufacturing, job security, and growth. The Union must put industrial needs and strategies at the centre of translating research and innovation into commercialisation. Investments are crucial to addressing societal challenges while enhancing the EU's competitiveness and ensuring the quality of life.

As leading investors in research and innovation, the automotive manufacturers and suppliers are ready to take joint actions to enhance EU competitiveness and to bridge the innovation gap. We accelerate innovation and reduce time to market by 40%, from applied research to marketable products across the complex value chains in the automotive sector. We refocus and prioritise impact.

- We must inject speed while addressing agility and flexibility in a fast-adapting, globally competitive environment. Simplifying and relentlessly reducing administrative burdens by aligning processes in the R&I programmes, specifically in this Partnership (JU), to match industrial reality.
- The Partnership will implement a long-term R&I agenda (SRIA) that crystallises a shared vision and collaboration between stakeholders in a growing ecosystem for innovation.
- The industrial reality in the automotive sector, including its processes, regulatory framework, and standards, must align with the research and innovation agenda and its development. The Partnership should support an innovation-friendly and pragmatic regulatory framework that fosters innovation.
- We are ready to facilitate large-scale innovation actions with significant industrial participation and leadership. Less fragmented budgets and focused topics enable innovation actions with industrial participation across the value chain. These flagship projects have high visibility and significant budgets to drive innovations and standards from Europe for global use.
- The future Partnership will differ from past ones, so they will be even more focused on impact, speed, and agility, ensuring leadership in future technologies and manufacturing capabilities.

The largest public-private research and innovation (R&I) initiative in the automotive industry will boost global competitiveness while addressing societal challenges that will benefit users and society. The Partnership (JU) pools and aligns resources from industry and public funding for research and innovation actions in the automotive sector, across the value chain.

The Governance

The future Partnership (JU) should build upon **agile, lean, and low-bureaucracy governance** to accelerate innovation, involving **high-level steering from industry leaders** and the European Commission.

Its structure will involve various stakeholders across the value chain in innovation areas, advancing technologies from applied research to industrialisation. Potential innovation areas could include:

- Digitalisation: AI, SDV, E/E Architecture, Connectivity, Data, Cloud-integration, in-vehicle computing …
- Automation and safety: ADAS/AD Value Chains, Large-scale Demonstration regions, Integrated Safety, …
- Clean, sustainable and circular value chains: LCA, Circular Economy, 9R, Advanced Materials, Green Manufacturing, …
- Zero-emission technologies: Battery Technologies, Hydrogen Technologies, Vehicle Integration, …

The automotive industry requires a comprehensive package with a lean and agile structure to address all topics in a rapidly evolving, globally competitive environment. The future Automotive Partnership (JU) will accelerate innovation and drive the transition to a greener and digital future.

Governing and Advisory Bodies

- Governing Board: Strategic decision-making and oversight; representatives of public and private members (C-Level).
- Industrial Steering Group: develop and maintain the strategy of the programme; prioritise recommendations for research and innovation actions (with the automotive industry in the lead)
- Expert Committees: develop technological roadmaps in the innovation areas as main contributions to the SRIA; propose and prepare recommendations for research and innovation actions.
- Executive Director and Programme Office: Day-to-day operations and project implementation.
- States' Representatives Advisory Group: National level coordination.
- Scientific Advisory Committee: Expert advice on technical and strategic issues.
- Industrial Associations Advisory Committee: Expert advice and support with links to EU and national policymakers and regulatory issues (incl. ACEA, CLEPA, and national associations such as VDA, PFA, ANFIA, …)

By uniting resources, the Automotive Partnership (JU) will ensure Europe's leadership in shaping the future of the automotive industry. We therefore propose to the European Commission and the Member States to initiate, with us, the formation of this Joint Undertaking in 2025, with a launch planned for 2028.

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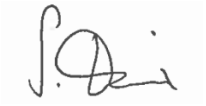

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