

The Action Plan misses the opportunity to offer alternatives to the Automotive Industry

Brussels, 05 March 2025: The Automotive Industrial Action Plan published today is focused on enhancing electromobility, despite President von der Leyen's reference to full technology neutrality as a core principle for the upcoming revision of LDV and HDV CO₂ standards regulations. An unambiguous role for renewable and low-carbon fuels, including sustainable biofuels and e-fuels, is an opportunity not to miss for the competitiveness of the EU Automotive Industry and for the decarbonisation of all transport modes.

With the publication of the Automotive Industrial Action Plan, the European Commission aims to enhance the global competitiveness of the EU automotive industry, supporting it in overcoming the current crisis and a range of critical challenges ahead.

Liana Gouta, Director General of FuelsEurope, commented: *"Unfortunately, with regard to the transition to Clean Mobility, the Action Plan published today disregards the principle of technological neutrality, assuming that Clean Mobility in road transport equates with electromobility, thereby excluding any contribution from other solutions. It misses the opportunity to offer alternatives to the automotive industry at a very critical moment for the competitiveness of the sector and Europe as a whole."*

There is no mention in the Action Plan of the role renewable and low-carbon fuels are already playing in the decarbonisation of road transport. Just like electricity, energy from renewable molecules used in internal combustion engines (ICE) and hybrid vehicles

results in a net-zero increase in the concentration of CO₂ in the atmosphere. In fact, the tailpipe emissions of these fuels consist of circular CO₂: absorbed from the atmosphere to make biofuels and e-fuels, the CO₂ is returned to the atmosphere to start a new cycle. In other EU regulations (ETS, ReFuel EU aviation, FuelEU Maritime, RED) this scientific approach is accepted: why not in road transport?

This could provide a way out of the crisis of the automotive industry, which has many aspects, including slowing consumer demand for electric vehicles (EVs), growing market share of non-EU-made vehicles, absence of a competitive domestic battery manufacturing sector, and emerging risk of new strategic dependencies for the EU on critical raw materials. Offering the EU Automotive Industry alternative decarbonisation pathways, complementary to full electrification, would create flexibility for OEMs to capitalise on their competitive advantages by deploying a mix of drivetrain

technologies, responding flexibly to customer demand, as expected in a market economy.

On the 3rd of March 2025, at the second Automotive Dialogue, President von der Leyen announced that the European Commission “*will prepare to speed up work on the 2035 review, with full technology neutrality as a core principle*”. We applaud this announcement, as we hope that the revision of the CO₂ standards for light-duty vehicles (LDVs), now announced for Q3 or Q4 2025, and heavy-duty vehicles (HDVs) will allow low-carbon and renewable fuels to contribute to decarbonisation targets of OEMs and that the definition of Zero-Emission Vehicles will be expanded to include those powered exclusively by sustainable biofuels and e-fuels.

In this respect, also the upcoming legislative proposal to decarbonise corporate fleets should respect the principle of full technology neutrality in the definition of Zero-Emission Vehicles: relying on a single technology,

effectively excluding other low-carbon solutions, like hybrid vehicles and low-carbon and renewable fuels does not play in favour either of restoring the Automotive Industry competitiveness or of a faster, consumer-friendly and resilient decarbonisation of corporate fleets and road transport.

While electrification is a key pillar of the road segment decarbonisation, it should not be imposed by mandate. Sustainable fuels, including advanced biofuels and e-fuels, provide a complementary solution to the decarbonisation of road transport while preserving the choice for automotive manufacturers and consumers.

As a follow-up to the Automotive Action Plan, the Refining and Fuel Manufacturing Industry is prepared to collaborate with EU institutions in designing and implementing measures to restore the sustainable competitiveness of the EU automotive industry.

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FuelsEurope, the voice of the European fuel manufacturing industry. FuelsEurope represents, within the EU institutions, the interest of 40 companies manufacturing and distributing conventional and renewable fuels and products for mobility, energy and feedstocks for industrial value chains in the EU.

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