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THE FUTURE OF AUTOMOTIVE R&I IN EUROPE

EUCAR PERSPECTIVE



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In 2024, Prof. Draghi highlighted in his report that actions are key to the Union's competitiveness: "We reached the point where, without action, we will have to either compromise our welfare, our environment or our freedom". The Union's strategy for innovation is one of the three fields for action.

The automotive industry is vital for the European economy, jobs, and growth, and 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 needs investments from the public and private actors to keep expertise in Europe and thus strengthen 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 EUCAR members see 2025 as the year for bold actions to enhance EU competitiveness and bridge the innovation gap. We must accelerate innovation from applied research to scale-up, prioritise impact and facilitate large-scale innovation initiatives with substantial industrial participation and leadership.

The EUCAR members, therefore, commit to building the

largest Public-Private R&I Initiative in the Automotive Industry

to retain and regain EU competitiveness and close the innovation gap. This initiative will focus on impact, driving EU competitiveness while addressing societal challenges, benefiting users and society.

- The industrial reality in automotive, its processes, the regulatory framework, and the standards must go 'hand-in-hand' with the research and innovation agenda and its development. The automotive industry's input is critical at every programming stage, even more so when discussing R&I priorities for the near future (in Horizon Europe and the future European innovation programmes).
- Less fragmented budgets and focused topics enable comprehensive and integrated innovation actions. Flagship projects with significant industrial participation and budget, high visibility, and impact to drive innovation and standards from Europe for global use.
- We must inject speed while addressing agility and flexibility in a fast-adapting, globally competitive environment. Simplifying and reducing administrative burdens and streamlining processes in the R&I programmes with industrial needs will enable speed and agility and allow companies to use their resources more efficiently.

- Public-private partnerships (PPPs) are central in implementing long-term R&I agendas. They facilitate a shared vision and collaboration between stakeholders in a growing ecosystem for innovation. Future partnerships will differ from the past, so they are even more oriented towards impact, ensuring leadership in future technologies and manufacturing capabilities.

As EUCAR, we believe that R&I framework conditions should boost Europe's growth, employment, and competitiveness while addressing global societal challenges by aligning them with industries' objectives.

As a partner in Horizon Europe, we carefully review and validate the effectiveness of all tools addressing societal challenges and EU industrial competitiveness (e.g. partnerships and missions) in Horizon Europe.

EUCAR calls for an ambitious and industry-relevant innovation programme to strengthen the EU economy and businesses while prioritising research and innovation for society's benefit.

About EUCAR

EUCAR is the European Council for Automotive R&D of the major European passenger car and commercial vehicle manufacturers. EUCAR facilitates and coordinates pre-competitive research and development projects and its members participate in a wide range of collaborative European R&D programmes. The European automobile manufacturers are the largest private investors in R&D in Europe with over €60 billion investment per annum. EUCAR members are BMW Group, DAF Trucks, Ford of Europe, Honda R&D Europe, Hyundai Motor Europe, Iveco Group, Renault Group, Toyota Motor Europe, Volkswagen Group, Volvo Cars and Volvo Group. EUCAR is legally part of ACEA with independent decision-making for R&D.