

EIFI WHITE PAPER EXECUTIVE SUMMARY

Industrial Accelerator Act **Making “Made in EU” work for the entire European automotive value chain**

October 2026

EIFI calls for an Industrial Accelerator Act that protects the entire European automotive value chain, including its mid-stream industries and SMEs.

The White Paper shows that local-content rules must extend beyond vehicle assembly to components and fasteners if the IAA is to strengthen European manufacturing resilience and prevent further displacement of EU production by extra-EU sourcing.

WHY THE IAA MATTERS FOR EUROPE’S INDUSTRIAL BACKBONE

The Industrial Accelerator Act is an essential opportunity to introduce a genuine European preference in strategic industrial sectors. However, its effectiveness will depend on whether “Made in EU” requirements safeguard the full supply chain.

Mid-stream industries such as fasteners - largely composed of SMEs and essential to automotive manufacturing - must be adequately reflected in the final framework.

KEY EVIDENCE FROM THE EUROPEAN FASTENERS INDUSTRY

- Chinese competitive pressure has intensified, particularly since 2021. For fasteners covered by anti-dumping duties, the EU market share increased by 5 percentage points between 2021 and 2025; for codes without protection, it fell by 7 points.
- The effectiveness of anti-dumping measures is increasingly challenged by trade diversion through third countries, notably Vietnam and Thailand.
- Automotive fasteners are particularly exposed. A sample of 102 companies, representing 41.9% of EU fastener sold production value in 2025, recorded a 12.2% decline in volume between 2019 and 2025, compared with broadly stable volumes in the rest of the industry.

THE EIFI “MADE IN EU” SAFETY NET

The study estimates that “Made in EU” fasteners currently account for approximately 63% of fasteners purchased by EU industries overall and 72% in the automotive sector. EIFI therefore proposes a 70% “Made in EU” requirement for fasteners supplied to OEMs and first-tier suppliers. This threshold is designed as a safety net: it protects the existing European industrial base while remaining aligned with current sourcing realities.

EIFI RECOMMENDATIONS FOR THE INDUSTRIAL ACCELERATOR ACT

- Extend the IAA vehicle framework beyond EVs and PHEVs to include HEVs and Euro 7 ICE vehicles, which remain essential to the demand base supporting European component production.
- Set the “Made in EU” requirement for vehicles at least 80%, reflecting the current high level of European content in vehicles manufactured in the EU.
- Introduce a “Made in EU” requirement for auto-parts: either by product group, through an average 70% requirement for parts purchased by OEMs, or through strengthened non-preferential rules of origin incorporating an appropriate minimum EU added-value threshold.
- Introduce a specific average “Made in EU” requirement of 70% for fasteners supplied to automotive OEMs and first-tier suppliers.
- Ensure that automotive foreign direct investment is subject to an effective screening framework, not limited to green-tech investment.

WHY ACTION IS PROPORTIONATE AND NECESSARY

European OEMs and first-tier suppliers already manage origin requirements for exports under EU trade agreements, while many also comply with more demanding local-content rules in North America. Extending comparable traceability to the IAA should therefore build largely on existing processes rather than create an entirely new administrative system.

At the same time, the cost of inaction is increasing. The White Paper points to rapidly widening EU trade deficits with China in vehicles, auto-parts, tyres and batteries. Without stronger and broader local-content provisions, measures supporting European vehicle production risk shifting competitive pressure further down the supply chain rather than strengthening it as a whole.

EIFI MESSAGE TO EUROPEAN AND NATIONAL POLICY MAKERS

A resilient European automotive industry requires resilient European supply chains.

The IAA should not protect only the final stage of vehicle production: it must preserve the industrial capabilities, know-how, employment and investment embedded throughout the European value chain.

A credible “Made in EU” framework for vehicles, components and fasteners is therefore essential to ensure that Europe’s industrial and decarbonisation policies reinforce - rather than weaken - its manufacturing base.