SAFE009R4 – ACEA COMMENTS
2022 REVIEW OF THE
STEEL SAFEGUARD
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The European Automobile Manufacturers’ Association (ACEA) presents its assessment on the recent evolution of the steel market in Europe and its impact on automobile manufacturers.

Introductory remarks

European steel is essential for the EU automobile industry and ACEA members source approximately 90% of their steel domestically\(^1\). Manufacturing in the automobile sector favours geographical proximity in the steel supply chain as the industry operates just-in-time processes and prefers near-by sourcing for reasons of logistics costs and possible damage by long transportation. The long lead times for delivery, the lack of a cost benefit in importing, potential or existing trade defence measures and a lengthy homologation process for new suppliers, explain why EU auto manufacturers only import such limited quantities. Timely and reliable supply of reasonably priced, high-quality steel is crucial for automotive manufacturing.

At the same time, the EU automobile industry is also vital to European steel producers, as motor vehicle manufacturers account for 19% of the steel consumption in the Union, rising to as much as 42% for flat products\(^2\). Steel has limited substitution possibilities, particularly in the production of certain categories of motor vehicle.

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\(^1\) Figure based on ACEA own-data from 2018 showing 94% of steel used in the automobile sector is from the EU.

Nevertheless, limited imports of steel in our sector play an important role. When EU steel producers cannot supply the necessary quantities or specific products, mainly due to capacity constraints, then it is necessary to find alternative sources.

After the massive downturn in manufacturing activities in the first half of 2020 due to the COVID-19 crisis, production levels in the European automotive sector recovered somewhat in 2021. However, the impact of acute shortages in semi-conductors means that manufacturing has not returned at even close to pre-pandemic levels, with substantial problems predicted to continue well into 2022 and beyond.

Despite depressed demand from the automotive industry, the European steel market in 2021 showed a continuation of the price surge that had been initiated in the second half of 2020 and was marked by record-high prices for automotive steel products, supply shortages and extended delivery lead-times. More recently, delivery lead-times have returned to standard but capacity issues persist. Prices remain at critical levels and are predicted by manufacturers to stay there for the foreseeable future.

There are multiple reasons for this, and the decision taken in June of last year to continue the safeguard measures on steel for three more years is certainly a key factor.

Looking ahead, while the agreement between the EU and the United States is welcome at a macro-political level, it is expected that the impact of the exemption from the section 232 national security tariffs given to European exports of steel will exacerbate existing issues in our domestic market. The 3.3 million tonne tariff free quota will contribute negatively to supply and price issues in the EU. The distorted nature of the US market, with prices way in excess of those found on European or world markets, is highly attractive to steel producers and they will favour this export opportunity ahead of domestic sales.

ACEA believes that the safeguard measures on steel imports are not necessary and go against the Union’s interest by hurting its own manufacturing industry.

Persistent price and supply issues in the steel sector, caused in part by the continuation of the safeguard, and which will be exacerbated by the US section 232 exemption, need to be carefully addressed by the European Commission in this review.

1. Evolution of Prices for Automotive Grades of Steel

- 2021 saw the achievement of record high prices in the automotive steel market\(^3\). Prices per tonne that had moved mostly between the €500 - 700 bracket over the previous decade, began to increase in Q3 2020 with the recommencement of automobile production after the Europe-wide stoppages of that spring.

- Price increases continued to climb sharply in 2021, hitting a peak in Q2 of this year, with hot dipped galvanised (HDG) reaching over €1300 per tonne. Cold rolled coils (CRC) and hot rolled coils (HRC) reached price peaks over €1,200 and €1,100 per tonne respectively.\(^4\) Such prices were record highs for the European market and not seen previously, even during the aftermath years of the 2008 economic crisis.

- While prices have waned modestly since these peaks, the current price of HDG is moving in the €1,100 - 1,200 range. HRC and CRC are also trading at well above one thousand Euro. These prices are way in excess of averages over the previous decade.

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\(^3\) Primarily but not exclusively considered as hot dipped galvanised (HDG), hot rolled coils (HRC) and cold rolled coils (CRC).

\(^4\) German spot market price, May 2021.
No different from the situation that we reported on in March 2022, the balance of power in the European steel market remains firmly with local steel producers. ACEA members report that contract ‘negotiations’ are often presented as take-it or leave-it offers, with short deadlines for decisions.

While steel producers’ raw material costs have increased significantly over the last 18 months, this alone cannot explain the increase in steel prices. The increase in steel price massively exceeds the increased material costs of producers during this period. [This aspect is examined in detail in section 4 of this paper].

These elements do not justify the price increases of the nature seen in the steel sector in 2020 / 2021. Even where the totality of increased costs for producers are taken into account, including energy, transport, etc. the margin between the total cost increase of steel and the increase in input costs is in excess of 100%.

Automobile manufacturers believe that lack of supply has been the major driver of steel costs increases.

High prices eat into already tight profit margins, particularly for - but not limited to - the volume passenger car segment.

Some manufacturers have shortened the standard 1 year contract length for supply to shorter periods in an effort to hedge in favour of a better market for the second half of 2022. While the success of such a tactic will depend on the evolution of the market, it creates a significant vulnerability in terms of certainty of supply and, ultimately, price, should the market not evolve positively. Manufacturers would only assume this risk in exceptional situations.

Furthermore, steel producers have begun to charge downstream users for their Emissions Trading System compliance costs. Surcharges are now being levied on users to compensate producers for the part of their production that is not covered by free allocation under Phase IV of the EU’s ETS for industrial emissions.

Ultimately, the increase of steel prices experienced over the last 18 months will result in rising sales prices for final customers. Manufacturers are faced with price increases for many primary materials and components used in our sector and steel is currently the most significant of these factors. The cumulative
impact of all these increases means that OEMs can no longer absorb these costs without passing them on.

2. Supply to the automotive industry

- The second half of 2020 and the whole 2021 were defined by acute supply shortages for automotive grades of steel.

- As ACEA reported to the Commission in March of last year, there is effectively no negotiation on price in the market. Instead, steel suppliers will make an offer to the manufacturer, knowing that the latter has little alternative than to accept. Offers are often accepted knowing that the alternative would be either an offer at an even higher price than the one currently on the table or no supply.

- The lack of capacity in the market leading to ‘permanent steel shortage’ was repeated by several ACEA members at the time.

- More recently, capacity constraints have improved marginally. Delivery lead times, which reached 20 weeks in the first half of the year, returned to a more standard 12-16 weeks. While capacity issues have eased slightly, problems certainly persist.

- ACEA believes that one reason for the significant supply issues is the decision in June 2021 to maintain the steel safeguard for a further 3 years.

- The safeguard limits recourse to imports by placing an upper limit on total volumes that can be brought into the European market. With demand for steel high in other markets, exporting producers from third countries will not risk exceeding quota thresholds in case they become liable for the 25% tariff on out of quota imports.

- Maximising the potential of the quota continues to be a critical challenge for our sector. Imports for the automotive, primarily in product categories 1, 2, 3B and 4B, compete for quota with more generic products and are subject to the ‘crowding out’ phenomenon.

- However, prices for automotive steel have been consistently high, both before and during the imposition of the safeguard measures, so it is not alone in being the cause of such capacity issues.

- The effect of the pandemic has undoubtedly also been a factor. By July 2020, almost all automotive manufacturing facilities had restarted production after the
initial COVID-19 lockdown measures. Steel production lagged significantly behind the restart in auto manufacturing and this led to an acute shortage of capacity on the market.

- In its submission to the Commission as part of last year’s review of the steel safeguard, EUROFER emphasised repeatedly that the high prices and acute capacity shortages were temporary in nature and caused by the time lag between the restart of European manufacturing and the ability of steel suppliers to successfully feed demand. EUROFER commented, “In any event, this imbalance between demand and supply and its effects in the EU are clearly temporary in nature, and are likely to disappear over the coming months… It is expected that the EU mills will be able to adjust production to normal levels and operate at sufficient capacity by June 2021, by which time the demand / supply imbalance will be restored.”

EUROFER makes several such assertions regarding the temporary nature of the market situation in its submission but there remains a significant imbalance in the market.

- It is hard to reconcile the protracted high prices charged by domestic steel suppliers and the expectations generated that the market would have returned to more standard trends long before now.

- ACEA forecasts that there will be no significant improvement in the market situation in the near future.

3. Demand from the Automotive Industry.

- The auto industry is currently facing critical challenges due to global supply chain shortages, particularly the lack of sufficient microchips. As a result of this disruption, caused predominantly because of the increased competition from the consumer electronics sector, and coming on the back of the COVID crisis, EU car production stood at 3 million units less than 2019 pre-pandemic volumes in the first nine months of 2021.

- While definitive figures are extremely difficult to determine, we expect that around 2 million of that lost production could be attributable directly to the shortfall of semiconductors on the market.

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5 P-40, EUROFER Submission in response to the EU producer questionnaires’, 22 March 2021.
• The weakening in registrations during the second half of 2021 has been mainly caused by a lack of available vehicles caused by the shortage in semiconductors and the long-term nature of the problem now means that existing inventory has been depleted. Evidence is that the biggest blow will be to Q3 production figures (as in the graph below), further hampering many OEMs’

6 Q4 ’21 based on actual figures for October and November and estimates for December. Graphs exclude UK data for all years.
ability to restock. While the forecast for Q4 is more positive, these are only predicted figures and definitive data will not be available until later in January.

- The situation has also impacted the automobile industry globally, with manufacturers in the United States, China, Japan, Korea, etc. all being significantly impacted. This has seen demand for steel drop substantially on the part of automobile manufacturers globally.

The semi-conductor shortage will continue to be a significant impediment to the recovery of the automotive sector in 2022, however many manufacturers predict that the situation should begin to improve in the second half of this year. Various mitigating strategies are being employed to offset the impact of shortages and potential assembly line stoppages, including the establishment of long-term partnerships with chip suppliers, reducing the number of unique semi-

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7 Q4 2021 figures are based on real data until November and include forecast data for the month of December. All EU data excludes figures for the UK.
conductors used in manufacturing and, of course, applying more appropriate build schedules based on expected shortages.

- Although the challenge of sourcing these components will continue in 2022, we see volumes in the region growing by around 9.4% y/y to 11.7 million units, which will still be around 16.7% below the pre-pandemic five-year average.\(^8\)

  “We now expect that semiconductor lead times will stabilise in the first half of 2022, but will continue to be 26 weeks and longer. These lead times will improve during the second half of 2022, but will still be longer than what is considered normal. The first half of 2023 is expected to bring a further improvement, helped by additional wafer fabrication capacity coming online, helping to keep up with ongoing demand.”\(^9\)

- Nevertheless, production may remain constrained by other supply chain and COVID-19 related issues, potentially hampering a return to more normalized production.

- It has to be underlined that, even with this reduced level of production and a somewhat restrained outlook at least for the first half of 2022, the supply of steel in the EU is not sufficient.

- As supply begins to pick up, we expect that worldwide automobile manufacturing will begin to gradually rebound during the course of this year. This means that auto grades of steel will be more in demand as we move into Q3/4 2022, thereby reducing further any possible risk of trade diversion towards the EU but increasing pressure on the European steel market.

**Quota Usage**

- Despite the reduced levels of automobile production in the EU over the last 18 months, **demand for quota in 4B** remains consistently strong. Although not as apparent in early 2021 (due, certainly in the main part, to longer lead times for delivery), the phenomenon of rapid quota exhaustion in this category has returned with exceedingly high demand in the last 3 quarters.

- Quota usage is at either very high levels (yellow), critical (orange) or exhausted (red) for all origins over the first 6 months of year 4 of the measure. Quota for China for Q3 of this year was exhausted in little over one day. Based on early

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\(^8\) IHS Markit, Western European Sales Preview 2022 [link](https://connect.ihsmarkit.com/master-viewer/show/phoenix/3874632?lateast=HotTopic&connectPath=LandingPage.HotTopics)

figures for Q3 it is expected that this pattern will continue through to at least the end of this year of the safeguard.

Product Category 4B: Metallic Coated Sheets

<table>
<thead>
<tr>
<th>Allocation by Country</th>
<th>Q1 Year 4 (01.07.2021 to 30.09.2021)</th>
<th>Q2 Year 4 (1.10.2021 to 31.12.2021)</th>
<th>Q3 Year 4 (until 12 Jan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td>95.6%</td>
<td>99.8%</td>
<td>47.6%</td>
</tr>
<tr>
<td>China</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Korea</td>
<td>83.4%</td>
<td>85.6%</td>
<td>22.5%</td>
</tr>
<tr>
<td>UK</td>
<td>99.8%</td>
<td>95.9%</td>
<td>5.7%</td>
</tr>
<tr>
<td>India</td>
<td>100%</td>
<td>97%</td>
<td>21.8%</td>
</tr>
</tbody>
</table>

- In Year 4 of the measures, rapid exhaustion and very high utilisation rates are features of other product categories in which ACEA members are interested, most notably PCs 1 and 2.

Product Category 1: Hot Rolled Sheets

<table>
<thead>
<tr>
<th>Allocation by Country</th>
<th>Q1 Year 4 (01.07.2021 to 30.09.2021)</th>
<th>Q2 Year 4 (1.10.2021 to 31.12.2021)</th>
<th>Q3 Year 4 (until 12 Jan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other countries</td>
<td>44.5%</td>
<td>24.9%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Russia</td>
<td>100%</td>
<td>100%</td>
<td>39.3%</td>
</tr>
<tr>
<td>Turkey</td>
<td>94.7%</td>
<td>100%</td>
<td>89.9%</td>
</tr>
<tr>
<td>India</td>
<td>100%</td>
<td>100%</td>
<td>36.3%</td>
</tr>
<tr>
<td>Korea</td>
<td>95.6%</td>
<td>93%</td>
<td>5.8%</td>
</tr>
<tr>
<td>UK</td>
<td>49.8%</td>
<td>29%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Serbia</td>
<td>89.8%</td>
<td>85.4%</td>
<td>5.7%</td>
</tr>
</tbody>
</table>

Product Category 2: Cold Rolled Sheets

<table>
<thead>
<tr>
<th>Allocation by Country</th>
<th>Q1 Year 4 (01.07.2021 to 30.09.2021)</th>
<th>Q2 Year 4 (1.10.2021 to 31.12.2021)</th>
<th>Q3 Year (until 12 Jan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other countries</td>
<td>90%</td>
<td>94%</td>
<td>18.2%</td>
</tr>
<tr>
<td>India</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Korea</td>
<td>91%</td>
<td>76.5%</td>
<td>14.7%</td>
</tr>
<tr>
<td>UK</td>
<td>85%</td>
<td>63.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Ukraine</td>
<td>98.9%</td>
<td>76.7%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Brazil</td>
<td>17.4%</td>
<td>35.8%</td>
<td>0%</td>
</tr>
<tr>
<td>Serbia</td>
<td>98.8%</td>
<td>91.2%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

- ACEA believes that the very high quota utilisation rates are attributable to a scarcity of supply and the extraordinarily high prices on European markets. Certainly, we believe that this is the case for product category 4B, where demand for imports is being driven by those factors and the need to supplement domestic supply is acute.

4. Raw Material Costs for Suppliers

- The cost of iron ore peaked at record highs in the first half of 2021 before receding significantly (to +/- $100 per tonne) by the end of last year, in particular because of the decision of the government of China to significantly reduce steel production during the course of 2021. Coking coal, which, had been stable for an extended period, did increase in the second half of 2021. However, in terms of producers’ material costs, the increase in coal is easily offset by the decrease in iron ore during the same period.

- ACEA maintains its position, as expressed in the 2021 review of the safeguard, that the increase in raw material costs for European steel producers can only explain in part the price increases experienced by steel buyers. The difference between the increase in key material costs and the rise in steel prices remains massive. While the costs of ore and coke inputs increased by a maximum of €300 when compared to their long-term average price, the cost of automotive grades of steel increased by between €700 to 800 when compared to its average long-term (5 year) price.
5. Impact of the Decision to Exempt the EU from the United States' National Security Measures on Steel Imports.

- In November, the United States agreed to apply an exemption from the Section 232 tariffs for an annual quota of 3.3 million tonnes of EU steel exports. This is in addition to the estimated 1.1 million tonnes of EU exports already benefitting from 232-free conditions under the scheme for product specific exemptions applied by the US Commerce Department.

- The agreement was an important step on the path to eliminating trade restrictive measures and, by doing so, easing trade tensions between the EU and the United States. It will also provide relief to manufacturers in the US who buy European steel and who are suffering from the effects of a massively over-inflated local market.

- Unfortunately, the certain consequence of providing for such an exemption will be to worsen the conditions for sourcing steel domestically within the EU.

- This assumption is based on the massive price difference between the US and all other global markets, including Europe, that will inevitably attract steel into the United States. Given the highly protected nature of the market there, steel trades at significantly elevated prices. Typically, over much of the last decade, the US price differential is in the region of 20-30% higher than other world markets. However, over the course of the last year that differential is running at between 50 to 100% (see table below for more details).

- The 232 tariff exemption means that the US will now exercise an even greater gravitational pull on European production and this will have consequences for European buyers in terms of exacerbating existing issues concerning scarcity of supply.

- While the table below only shows the price differential for hot dipped galvanised steel, very similar patterns of price-difference can be found for other sheet products being used by the automotive industry.
<table>
<thead>
<tr>
<th>Period</th>
<th>HDG USA Average in €</th>
<th>HDG EU €</th>
<th>EU/US € Price Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 quarter 2020</td>
<td>850</td>
<td>600</td>
<td>250</td>
</tr>
<tr>
<td>2 quarter 2020</td>
<td>771</td>
<td>570</td>
<td>201</td>
</tr>
<tr>
<td>3 quarter 2020</td>
<td>703</td>
<td>558</td>
<td>145</td>
</tr>
<tr>
<td>4 quarter 2020</td>
<td>908</td>
<td>674</td>
<td>234</td>
</tr>
<tr>
<td>1 quarter 2021</td>
<td>1,300</td>
<td>872</td>
<td>428</td>
</tr>
<tr>
<td>2 quarter 2021</td>
<td>1,650</td>
<td>1,214</td>
<td>436</td>
</tr>
<tr>
<td>3 quarter 2021</td>
<td>2,070</td>
<td>1,321</td>
<td>749</td>
</tr>
<tr>
<td>4 quarter 2021</td>
<td>2,169</td>
<td>1,183</td>
<td>986</td>
</tr>
</tbody>
</table>

- Given the disparity in potential profit between both markets, it is inevitable that producers will favour sales to the United States above the interests of European buyers. The situation of steel users in Europe contrasts with the situation of producers who will benefit from the financial windfall of increased sales in the lucrative US market.

- In more precise terms, the consequence of the 232 exemption will be the reduction of supply to our domestic market in 2022 by 3.3 million tonnes. Such capacity loss is highly significant.

- Anecdotal evidence provided by ACEA members who have manufacturing facilities in both Europe and the United States describe situations where European suppliers have declined orders from the European affiliates of the company but at the same time are offering capacity to their North American counterparts.

- The loss of such a significant amount of supply on the European market will exacerbate the supply / demand imbalance currently being experienced for automotive grades of steel. The European Commission must take into account how the decision of the US to grant a significant exemption to European exports will impact our domestic market and the situation of local manufacturers.

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11 Based on average price for HDG steel between Mid-West and West Coast markets. Exchange rate calculated using rate applicable on 11 January 2021. EU price is based on Germany market price.
6. Profitability of European Steel Producers

- Over the last 18 months steel producers are maximising the profitability of the supply demand imbalance in the European steel market, knowing that manufacturers, particularly in the automotive industry, have limited recourse to alternative options of supply. This is evidenced not just in the price of steel in the domestic market but also in the financial reports of the producers.

- While full year 2021 results are not yet available, the most recent reports up until Q3 of last year demonstrate the very positive financial situation of domestic producers, with more than one reporting 'historic' levels of performance.

- “ArcelorMittal has recorded its best quarter and strongest nine-month financial performance since 2008. EBITDA increased by 20% in the quarter to its highest level since 2008. Further strong performance from our equity accounted interests contributed to a net result of $4.6bn, which is the second highest quarter in the Company’s history.”

- Arcelor: “3Q’21 EBITDA +19.9% to $6.1bn with EBITDA per tonne of $414/t (highest ever achieved).” This is combined with a gross profit margin of 22.9% in the first half of this year.

- The EBITDA results in the latest financial reports of the other major steel producers shows an excellent level of profitability in 2021. “

  - “The key performance indicators (KPIs) of the voestalpine Group for the first half of the business year 2021/22 show strong year-over-year growth. Compared with the first half of the previous business year, revenue rose by 37.8%, from EUR 5.1 billion to EUR 7 billion. EBITDA surged year over year by 165.8%, from EUR 395 million to EUR 1 billion.”

  - We were able to deliver strong revenue and earnings increases in the business year’s first half thanks to very solid demand for voestalpine’s products in all markets and product segments that are material to us…voestalpine AG thus continues to expect EBITDA of between EUR 1,900 million and EUR 2,200 million for the business year

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12 Arcelor Mittal Q3 2021 Financial Report, accessible [here](#).

13 Idem
2021/22.  

- “The Salzgitter Group delivered a pre-tax profit of € 604.5 million in the first nine months of the financial year 2021. This result was driven by the dynamic uptrend in selling prices through to August that first and foremost impacted the results of the Strip Steel and Trading business units. The Trading Business Unit achieved the highest quarterly and nine-month result in its history.”

- [We] continue to anticipate the following for the Salzgitter Group in the financial year 2021:
  - an increase in sales to more than € 9 billion,
  - a pre-tax profit of between € 600 million and € 700 million and
  - a return on capital employed (ROCE) that is tangibly above the previous year’s figure.

- “SSAB reports a continued strong earnings trend for Q3 2021. High steel prices in combination with a strong and stable internal performance saw us exceed the record in Q2, despite planned maintenance outages. ...Operating profit for Q3 2021 increased to SEK 5,800 (-973) million, a new record for a single quarter.

- “SSAB Europe’s result increased to SEK 2,524 (-631) million and the operating margin to 23% (-10%). The upswing was primarily explained by a high price level.”

- Most producers reported lower than expected demand from the European automotive industry and their concerns that the first half of 2022 would likely follow the same trend.

- In terms of outlook, all producers remain very positive on the prospects for the industry in 2022, despite some hesitation regarding automotive. However, all of

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16 SSAB Q3 2021 Interim Report 'Another Record Quarter': available here.
the Q3 reports are unable to comment on the positive effect of the exemption from the US 232 measures, given that the agreement happened after the reports were concluded. Certainly, the potential windfall that this grants to steel producers will add to their positive forecasts.

7. Conclusion

- In its submissions to the European Commission in the context of the 2021 review of the steel safeguard, ACEA argued that the measure was no longer necessary and that it should be revoked. This was based on our forecast that steel producers would maintain their hold on the European market as well as on key Union interest considerations.

- In the intervening 6-9 months since those arguments were presented to the Commission, producers remain dominant in the market. This is evidenced by the historically high prices experienced during 2021, which have been maintained at levels well in excess of what could be considered normal.

- This is despite much lower demand from the European automobile industry. In the normal course of events, we would have expected a reflection of that decreased demand in the price per tonne but instead these remain stubbornly high. When we contrast the low demand levels in our sector with the very high usage of quota for product category 4B, the conclusion is that supply and price issues remain critical on the European market and that there is a need for additional imports to address this situation.

- Automobile manufacturers foresee the continuation of this dynamic well into 2022 and, most likely, beyond that. Indeed, the agreement with the US to allow for 3.3 million tonnes of section 232 tariff free exports from Europe will accentuate these issues.

- While the safeguard is not the only reason for the state of the European market, it is certainly a significant contributing factor.

- The European Commission needs to take into account the medium to long-term dynamics of the European steel market for the automotive industry since the start of the COVID-19 pandemic. There is little evidence that the market will correct itself in the short to medium term without a substantial liberalisation of the quotas relevant to our sector. This needs to be the conclusion of this year’s review of the measures.
ABOUT THE EU AUTOMOBILE INDUSTRY

- 14.6 million Europeans work in the auto industry (directly and indirectly), accounting for 6.7% of all EU jobs
- 11.5% of EU manufacturing jobs – some 3.7 million – are in the automotive sector
- Motor vehicles are responsible for €398.4 billion of tax revenue for governments across key European markets
- The automobile industry generates a trade surplus of €74 billion for the European Union
- The turnover generated by the auto industry represents more than 8% of the EU’s GDP
- Investing €62 billion in R&D per year, automotive is Europe’s largest private contributor to innovation, accounting for 33% of the EU total

REPRESENTING EUROPE’S 15 MAJOR CAR, VAN, TRUCK AND BUS MANUFACTURERS

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