Press statement

Steel and Cars: Twin Pillars of Europe’s Economy Call for a Pragmatic Path to Transformation

Brussels, 22 October - Ahead of the European Council meeting on 23 October, Europe’s steel and automotive industries — two strategic pillars of the EU economy — are issuing a joint call for a *realistic and pragmatic pathway* to transformation and keeping investments in Europe. Together, these sectors form the backbone of Europe’s industrial strength, supporting over 13 million jobs in automotive and over 2.5 million in steel (directly and indirectly), and driving innovation across entire value chains.

The two sectors are deeply interconnected: a strong European automotive industry relies on a competitive and innovative steel sector — and vice versa. Automotive is the second-largest user of steel, while a significant share of the steel industry’s R&D focuses on automotive applications. Yet, the European steel industry is now suffering from alarmingly low capacity utilisation, driven by global overcapacity, high energy and carbon costs, and subdued domestic demand. The situation is compounded by the slower recovery of EU car markets since COVID-19 and an ageing vehicle fleet that weighs on new demand.

After multiple rounds of Strategic Dialogues with the European Commission to chart a way forward, both sectors stress that the time has come to turn ambition into action.

“A strong domestic steel production is vital for the supply chain resilience of the EU automotive industry by providing a reliable, local source, reducing dependence on potentially volatile international markets and ensuring supply security for automotive.” said Henrik Adam, President of EUROFER

“You cannot build a competitive European car without competitive European steel,” said Ola Källenius, President of ACEA. “Smart regulation can create a win–win for both sectors — for example, by recognising and rewarding carmakers that voluntarily source low-carbon steel and materials as part of their CO_2 compliance. That’s how we turn climate ambition into industrial strength.”

The two sectors urge EU leaders to seize the moment at the European Council to set the right framework for a fair and feasible industrial transformation — one that safeguards jobs, ensures competitiveness, and delivers on Europe’s climate and resilience goals, as set out in the European Action Plans on Automotive and Steel.

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Notes for editors

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About the European Automobile Manufacturers' Association (ACEA)

ACEA represents the 16 major Europe-based car, van, truck and bus makers: BMW Group, DAF Trucks, Daimler Truck, Ferrari, Ford of Europe, Honda Motor Europe, Hyundai Motor Europe, Iveco Group, JLR, Mercedes-Benz, Nissan, Renault Group, Stellantis, Toyota Motor Europe, Volkswagen Group, and Volvo Group.

About the European Steel Association (EUROFER)

EUROFER AISBL is located in Brussels and was founded in 1976. It represents the entirety of steel production in the European Union. EUROFER full members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federations in Turkey, Ukraine and the United Kingdom are members. The European Steel Association is recorded in the EU transparency register: 93038071152-83.