



## UPEI's Position Paper on the Future of the Automotive Industry

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UPEI, the voice of Europe's independent fuel suppliers, appreciates the opportunity to provide its insights and recommendations as part of the [public consultation on the future of the European automotive industry](#), integral to the Strategic Dialogue on the future of the automotive sector launched by European Commission President Von der Leyen.

As the Commission prepares an automotive industry action plan, it is crucial to acknowledge the critical role which independent fuel suppliers play in accomplishing the goals the dialogue has set: enhancing innovation, clean transition and decarbonisation, competitiveness, trade relations and regulatory streamlining. Our industry is uniquely positioned to close the gap between the energy systems of today, and the sustainable mobility of the future.

Independent fuel suppliers are key facilitators of a fair and equitable transition. By creating and distributing low-carbon fuels like advanced biofuels, e-fuels and hydrogen, and utilising current infrastructure to guarantee affordability and accessibility for customers, we drive the EU's decarbonisation efforts. To fully harness the potential of independent fuel suppliers, the Automotive Action Plan must include additional priorities that address the particular challenges encountered by independent fuel distributors.

To do this, UPEI strongly believes that a number of key considerations should be taken into account in the development of the Action Plan, and more broadly in the process of the Strategic Dialogue:

### **Ensure that independent liquid fuel suppliers have their own space in the Strategic Dialogue and the Action Plan for the automotive industry**

Energy and fuel supply for the automotive sector should be a core priority, and separate workstream, of the Automotive Action Plan. As a driver of the green transition and decarbonisation, as well as a key player towards the competitiveness of Europe, automotive fuel suppliers should be central to the Commission's efforts to revitalise the automotive sector. Ahead of the presentation and/or revision of critical pieces of policy, such as the European Clean Industrial Deal, the European Climate Law amendment, the revision of the Regulation on CO<sub>2</sub> Standards for LDVs, and the implementation of Fit for 55 legislation such as AFIR, it becomes even more pertinent to ensure that the critical insights and experiences of independent fuel suppliers are part and parcel of the competitiveness of the automotive sector.



UPEI proposes a separate workstream as part of the Strategic Dialogue, specifically on energy sources for the automotive sector. Such a workstream must focus on the much-needed diversification of energy sources, incentivisation and development of low-carbon fuels, alongside electrification. As representatives of the fuel distribution sector, we want to emphasise the need to enable all sustainable options that can positively contribute to decarbonisation across the entire supply chain of the sector, while also keeping in mind the goal of ensuring competitiveness and resilience for the European markets. For this reason, it is absolutely necessary that the Action Plan is embedded with the principle of non-discrimination towards different technologies that can enable decarbonisation and accompanied by actions aimed at integrating this principle across existing and new legislation.

In this respect, UPEI recommends to use as reference the report of the Working Group on Monitoring Methodologies of CO<sub>2</sub> neutral fuels (WGMM report) on "[Monitoring the use of CO<sub>2</sub> neutral fuels in road transport: a cross-sectoral industry assessment](#)". This report not only proposes a broader definition of "CO<sub>2</sub> neutral fuels" but also highlights eleven technological solutions capable of certifying the technical feasibility of an alternative route to electrification alone.

In addition, this workstream could touch on infrastructure expansion for alternative fuels, to further incentivise the uptake of such fuels and support wide consumer access by harmonising the fuel payments regime. This could also pay dedicated attention to ensuring regulatory flexibility for different regions, and work in parallel with the proposed workstreams (competitiveness, decarbonization, global trade, innovation and regulatory streamlining) to support the European automotive supply chain.

### **Ensure regulatory coherence for the entire value chain**

UPEI commends the Commission's efforts to address all challenges faced today by the automotive industry, and strongly supports the implementation of a thorough, market-driven Automotive Action Plan, that will enhance and support the development of a competitive sector. This Action Plan should aim to guarantee regulatory coherence across all pieces of EU legislation that concern the sector. This means no conflicting requirements, streamlining of targets across EU policy, and enhanced implementation across all Member States to avoid fragmentation. Most of all, the Action Plan should be a road to granting the sector regulatory certainty, to ensure the right investments are done to enable innovation, decarbonization, global competitiveness and resilience. In this regard, we commend the Commission's inclusion of a "Regulatory streamlining and process optimisation" workstream as part of the Action Plan.

On a broader scale, the Action Plan must include concrete, timely policy steps towards supporting all aspects of the automotive supply chain – from manufacturers, to fuel suppliers, workers and consumers. These plans – whether legislative measures or soft policy incentives – must be accompanied by thorough interactions and consultations with all stakeholders in



the value chain, to ensure that policy reflects the needs of the sector and the EU market at large. Member States should be supported and consulted in the process of implementing any proposals, and particular attention should be paid to SMEs and independent suppliers in the value chain, to ensure that they can truly thrive in the EU market and continue to contribute to the goals of decarbonization.

### **Concluding remarks**

The Strategic Dialogue on the future of the automotive industry represents a critical opportunity to fortify the value chain of the automotive sector for the years to come. The actions envisioned in the Concept Note of the Dialogue lay out a plan to ensure a sector innovative, sustainable and globally competitive. Independent fuel suppliers are ready to play a vital role in this effort, by offering experiences and solutions towards both industry resilience and decarbonization. To completely realise this potential, the Commission must take actionable steps to ensure regulatory coherence, support innovative decarbonization solutions, and promote cooperation across the entire value chain. This way, the Dialogue on the Future of the Automotive Industry can become a cornerstone to promoting a clean, fair and equitable transition that also secures the EU's competitiveness at a global level.

We stand ready to support policymakers in the transition to clean, competitive European mobility, and to contribute constructively to the upcoming debates.

### **About UPEI**

UPEI represents European importers and wholesale/retail distributors of energy and related service providers to European transport and heating customers, independently from the major producers. Operating from the energy production gate to the final consumer, UPEI members supply conventional energy and increasingly its molecule and electron-based renewable and sustainable alternatives. Independent suppliers, covering more than a third of Europe's demand, play a crucial role in an evolving market by bringing competition which is vital to the economy. Their independence enables them to respond rapidly to changes in terms of market structure, products, and services, contributing to security of supply on a local, regional, and national level.