

## **Powering Europe's Automotive Future: Strengthening Europe's industrial capacity through a robust 'Made in EU' framework**

### **DuPont's position on the Industrial Accelerator Act (IAA)**

DuPont, a global leader in advanced automotive solutions, is committed to supporting Europe's sustainable and innovative transformation of the automotive industry and to strengthening the industrial base required to deliver it. With a manufacturing site in Schkopau (Germany) and R&D facilities in Freienbach (Switzerland), DuPont has supported global OEMs and Tier suppliers for over 60 years, supplying a full range of structural, crash-durable, and multi-material adhesives, along with direct glazing, battery sealing, assembly adhesives, and thermal management solutions that are critical to vehicle performance, safety and electrification. We are particularly proud of our high-performance technologies, including BETAMATE™, BETASEAL™, BETAFORCE™, and BETATECH™, with the latter awarded the 2024 CLEPA Top Innovator Award in the Green Product category<sup>1</sup>.

DuPont welcomes the Industrial Accelerator Act and sees it as a true opportunity to protect and strengthen Europe's industrial base in key strategic sectors. If carefully calibrated, this new Regulation, together with the initiatives under the Automotive Package, can represent a critical milestone in reinforcing Europe's industrial resilience and competitiveness during the transition to electric mobility.

While DuPont supports the overall direction of the Commission proposal, certain elements would benefit from further refinement to ensure the framework effectively delivers on its objectives and avoids unintended risks of circumvention or distortions to fair competition.

To that end, we recommend the following targeted adjustments to further strengthen the Regulation:

- **Adopt an "opt-in" approach to the definition of "Made in EU", initially limiting eligibility to production within the EU-27, UK and EFTA countries, with possible future extension only where full reciprocity exists.**
- **Align the definition of eligible "Made in EU" vehicles across all relevant instruments.**
- **Recognise adhesives and sealants as "battery joining technologies" within Union origin requirements under Annex III.**
- **Lower the proposed FDI screening threshold from €100 million to €30 million to better reflect investment realities across strategic automotive supply chains.**

### **Background & recommendations**

The European automotive industry is at a pivotal moment. The shift to electric mobility is accelerating, but European manufacturers and suppliers face intensifying global competition and pressure to maintain investment, innovation and production capacity within Europe. While electrification is accelerating, **battery-electric vehicles (BEVs)** still accounted for **only 20% of new car registrations in the EU in January 2026**<sup>2</sup>, highlighting that the scale of the transition ahead remains substantial and underscoring the importance of a policy framework that supports and balances decarbonisation and industrial competitiveness.

Against this backdrop, the transition to electric mobility should be accompanied by policies that **strengthen European manufacturing capacity across the entire automotive value chain**, including battery materials and vehicle components. DuPont therefore supports the overall objectives of the **Industrial Accelerator Act (IAA)** and the **Battery Booster Strategy**, which seek to strengthen Europe's industrial resilience, encourage investment and ensure that public support helps build competitive capabilities in Europe, while maintaining open and reliable supply chains.

#### **1.1 Ensuring an effective and coherent "Made in EU" definition**

The introduction of **EU content requirements** in the Commission's IAA proposal is a welcome and **important step towards strengthening Europe's industrial ecosystem**. However, the design and implementation of this **"Made in EU" framework** will be critical to ensuring that the Regulation effectively supports European manufacturing.

<sup>1</sup> <https://www.dupont.com/news/dupont-betatech-thermal-interface-material-wins-2024-clepa-innovation-award.html>

<sup>2</sup> [European Alternative Fuels Observatory, March 2026](#)

As currently drafted, the proposed definition of EU-origin content may benefit from **additional precision** to ensure it effectively incentivises **manufacturing and development within the EU**. In particular, certain supply chain configuration involving production in third countries covered by EU trade agreements may still qualify as equivalent to EU-origin content. Further clarification would help preserve the intent of the framework and avoid **unintended outcomes** that could place additional pressure on suppliers with manufacturing footprints in the EU.

In this context, DuPont would encourage consideration of an **“opt-in” approach to the definition of “Made in EU”**. The framework should initially focus on **production within the EU-27**, while recognising closely integrated value chains with **trusted partners** such as the **UK and EFTA countries**. Additional equivalence could be considered at a later stage through secondary legislation, where **full reciprocity exists and the risk of circumvention is adequately addressed**, including other like-minded partner economies with strong industrial and regulatory alignment. This approach would provide greater **predictability and investment certainty** for companies and investors, reinforce European production capacity, and support the resilience of the EU automotive ecosystem, in line with the EU’s broader **economic security and de-risking objectives**.

Additionally, the **current proposal applies divergent “Made in EU” eligibility criteria** across mechanisms related to public procurement, public support schemes, corporate fleets and vehicles eligible for super-credits. This risks creating unnecessary regulatory complexity, weakening the coherence and effectiveness of the framework, and reducing predictability for manufacturers and suppliers. The definition of eligible “Made in EU” vehicles should therefore be **aligned across all relevant instruments**.

### 1.2 Recognising the role of battery joining technologies in Union content requirements

As the EU develops Union content requirements for batteries and vehicles, **it is important that all key technologies, that enable battery systems, are appropriately captured**. Adhesives and sealants are integral to the assembly, safety and performance of battery packs and remain incorporated within the vehicle throughout its lifecycle. As such, they should be recognised as part of the battery value chain when assessing Union origin.

DuPont supports the inclusion of these materials through a **dedicated concept of “battery joining technologies”**, covering adhesives, sealants and other joining materials used in battery cells, modules and packs. This concept should be **embedded in the relevant provisions on Union content requirements for vehicles under Annex III**, to ensure a consistent and comprehensive approach across the European battery value chain. Doing so would also support innovation and investment in advanced materials, strengthening Europe’s competitiveness in high-value segments of the automotive supply chain.

### 1.3 Adjusting FDI thresholds to the realities of the automotive value chain

DuPont broadly supports the principle of introducing **FDI conditionality for investments in strategic sectors**, as such measures can contribute to a level playing field and strengthen European industrial resilience. However, the proposed threshold of **€100 million for triggering screening requirements is likely too high** for many investments across the automotive value chain, particularly in component or advanced materials (including adhesives) manufacturing, where projects frequently fall below this level.

In DuPont’s view, **a lower threshold of €30 million**, would better reflect investment realities across strategic automotive supply chains and would enhance the effectiveness of the mechanism in addressing potential distortions from subsidised or state-backed foreign investors. It would also help ensure that when non-EU suppliers establish operations in Europe, they do so under conditions that safeguard **fair competition and support the development of local industrial capabilities**.