



European  
Automobile  
Manufacturers  
Association

**Thierry Breton**  
**Commissioner for the Internal Market**  
**European Commission**

Brussels, 8 March 2021

Dear Commissioner,

I am writing to you to draw your attention to the seriousness of the problem with the shortage of semiconductors that motor vehicle manufacturers and suppliers in Europe are facing currently.

As you know, this has led to partial or complete production stoppages in motor vehicle manufacturing plants in Europe and elsewhere. Everything indicates that this shortage will persist for many months, possibly into the third quarter of this year. As a result, production volumes in Europe will probably be considerably lower than expected this year. This implies that capacity utilisation and employment will go down, at least temporarily. Since vehicle deliveries will need to be postponed, total sales volumes for 2021 may also end up below expectations.

While this would be inconvenient at any time, it is particularly hard in the current situation where the European auto industry is trying to recover from the impact of the COVID-19 crisis that saw motor vehicles sales in Europe decline by almost a quarter in 2020. If this situation persists or if we were put at a disadvantage vis-à-vis our US or Asian competitors, it could call into question the prospects of economic recovery for the auto industry in Europe.

We therefore call on the European Commission to help us in our endeavours to obtain additional supplies of semiconductors.

You will know that several Member States with automotive manufacturing facilities have contacted or are contacting the governments of countries that host the major semiconductor producers, notably Taiwan. As this is a European and even a global issue that affects all manufacturers, we believe the Commission should coordinate this outreach.

We would like to stress that this is an acute supply chain issue with potentially severe consequences for the European auto sector. While we appreciate that the current situation is causing policy makers to reflect on our dependence on Asian suppliers and on the feasibility of having more localised production, we call on your support now to address the short-term supply problem we face as soon as possible before considering the equally important, more strategic, long-term issue subsequently.



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We thank you for your kind consideration and remain at your disposal to work with our services in any way that can help to address this issue.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Eric Mark Huitema'. The signature is stylized with a large, sweeping initial 'E' and a long, horizontal flourish extending to the right.

Eric Mark Huitema

cc:

- Ms Kerstin Jorna, Director General, DG GROW
- Mr Gwenole Cozigou, Director, DG GROW
- Ms Joanna Szychowska, Head of Unit, DG GROW