

## “MADE IN EUROPE” / LOCAL CONTENT REQUIREMENTS

### *GUIDING PRINCIPLES AND POLICY RECOMMENDATION BY HEAVY-DUTY VEHICLE MANUFACTURERS*

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- **In general:** Trucks and buses of the future are more than just hardware consisting of cab/chassis, powertrain, and batteries. They will be connected, potentially autonomous and built on a comprehensive software architecture, designed for diverse use cases.
- **Goals:** The overarching objective of any LCR regulation should be to ensure a level playing field for all industrial partners across the supply chain, including OEMs. LCR should incentivize and safeguard EU-based development and production of innovative technologies.
- **Role of LCRs:** To reinforce the resilience and competitiveness of the European industrial value chain in the HDV sector, structural factors such as competitive energy prices, targeted incentive frameworks, supportive regulatory measures, skills development and mandatory R&D and knowledge transfer (e.g. IP) are indispensable. Within this broader policy mix, LCRs should be regarded as a complementary instrument rather than a stand-alone solution.
- **Risks:** An accelerated legislative process without a thorough assessment of potential impacts could undermine the global interconnectedness of the European HDV industry. Also, it is crucial to avoid a situation where encouraging or mandating EU manufacturers to become more “made in EU” ultimately results in higher costs for customers — potentially resulting in unintended market distortions and competitive disadvantages.
- **Impact on Supply Chains:** The LCR framework should be developed with utmost caution to avoid any potential disruptions to global supply chains and should thus not be defined at component level. Such a detailed requirement is not suitable for existing global supply chains. LCR should be applied either at the entire vehicle or at EU fleet level.
- **Role of R&D and Software:** EU-based R&D activities should be explicitly recognized within the LCR framework and rewarded accordingly. The same principle applies to software development that is created and deployed within the EU.
- **Simplification:** To support the objective of simplifying European legislation, LCR rules should be designed to be easy to calculate and implement, fit for purpose, and

harmonized with other key regulations. Potential overlaps with existing frameworks (e.g., battery regulation) must be avoided. Likewise, overly complex or burdensome certification processes should be prevented.

- **Implementation & Timeline:** While most OEMs recommend a phase-in no earlier than 2030 for trucks, the situation in public procurement—primarily for buses—needs urgent action today. This is driven by intense competitive pressure and the absence of a level playing field in public procurement tenders. Therefore, an earlier application of LCRs for public procurement is necessary to ensure fair competition and safeguard EU industry interests. Furthermore, care should be taken to ensure that existing legal provisions are effectively applied in practice.
- **Regulatory Flexibility:** A LCR framework should be flexible enough to anticipate future technologies (e.g. Batteries).
- **Regional Scope:** In addition to the EU27 as basis for Local Content requirements, consideration could be given to countries maintaining close relations and deep economic integration with the European Union, for instance through specific trade or customs agreements. Further clarification is required regarding the precise modalities and the potential degree of recognition.