



Major Automotive Global Trends

August 2026

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1. Global

Global shortage of vehicle carriers intensifies as exports from China expand

The maritime vehicle transport sector has faced unusually strong demand over the past year. According to reports published in the specialist shipping press in August, demand for dedicated Pure Car and Truck Carriers (PCTCs), used to transport cars and trucks, has risen significantly. As a result, companies must reserve space on vessels several quarters in advance and sometimes even years ahead.

The main driver is the growth in vehicle exports from China in recent years, particularly in 2026. China exported fewer than 600,000 cars and light trucks in 2019. This year, according to estimates by research firm Mobility Global, exports could reach 10 million vehicles, while other estimates put the figure at close to 12 million.

In the first half of 2026, China's vehicle exports increased by 53% compared with the same period last year, reaching approximately 5.3 million units. Electric and hybrid vehicles accounted for about half of the shipments. In June alone, exports rose by approximately 75% compared with June 2025, and more than one million vehicles were exported from China in each of June and July.

The CEO of Norwegian shipping company Wallenius Wilhelmsen noted in the company's latest quarterly report that its fleet capacity on routes from Asia has already been fully booked for an extended period. According to the CEO, the growth in exports from China reflects a structural market shift driven by the improved competitiveness of Chinese products, rather than merely an attempt to reduce excess inventories.

The gap between the growth rate of Chinese vehicle exports and the expansion of the dedicated carrier fleet is directly reflected in prices. The daily charter-rate index for vessels with a capacity of 6,500 car equivalent units (CEUs) has risen by approximately 45% since the beginning of 2026, while actual charter rates for vehicle carriers have increased by approximately 65% this year.

Although the global vehicle-carrier fleet has expanded in recent years and PCTC capacity is expected to grow by approximately 7.6% during 2026, the additional capacity is being absorbed almost entirely by rising demand.

The vehicle transport sector is pursuing several ways to increase capacity. One is to transport vehicles in standard containers rather than on dedicated vessels. Use of this method has expanded over the past year, and an estimated two million vehicles are expected to be transported this year using alternative methods, mainly containers, almost twice as many as last year.

According to analysts, a solution that began as a temporary measure in 2024 has become a significant channel for Chinese vehicle exports. However, loading and unloading are more expensive under this method, and the risk of transport damage is higher than when dedicated vessels are used. The method is also unsuitable for large vehicles that do not fit into standard 40-foot containers or for self-propelled construction and engineering machinery.

Industry analyses point to the possibility of relief in the future, as new vessels ordered over the past two years enter service, increase available capacity and potentially moderate charter rates. In the short and medium term, however, transport costs may rise further.

The shortage is also affecting China's automotive industry, which prepared in advance for higher transport demand but did not anticipate the full scale of the increase in exports. Chinese automakers are now working, with support and financing from the Chinese government, to narrow the gap.

One of the principal measures is the establishment of independent fleets through the construction of dozens of dedicated vehicle carriers with dual-fuel propulsion systems capable of using LNG and capacity of 7,000 to 9,000 vehicles per vessel. These fleets enable automakers to reduce transport costs and ensure regular delivery schedules to international markets.

Over the longer term, Chinese automakers are expanding production closer to their target markets in order to reduce their dependence on long-distance maritime transport. This trend could gradually reduce demand for intercontinental vehicle shipping.

Western markets broaden measures to limit the entry of Chinese-made vehicles

Measures intended to limit the entry of Chinese vehicles are expanding in several Western markets. In August, the American International Automobile Dealers Association (AIADA), representing more than 9,400 dealers of imported vehicle brands in the United States, launched a campaign entitled "No China Autos".

The association argued that Chinese vehicles benefit from extensive government subsidies and are produced in large volumes at low prices, and that this competition could harm dealer profitability and employment in the United States.

According to the association, foreign automakers that have established manufacturing and research and development facilities in the United States, created jobs and integrated into the domestic industry operate under different conditions from manufacturers that export vehicles from China.

The US administration currently imposes a base tariff of 27.5% on Chinese-made vehicles and an additional 100% tariff on electric vehicles imported from China. In addition, Congress is advancing legislation intended to prevent companies in which Chinese entities hold more than 15% of the shares from entering the US market indirectly through production in third countries or joint ventures.

Similar trends are evident in Europe. In the first half of 2026, the combined market share of the five largest Chinese automakers reached approximately 10.9%, compared with 7.4% for Hyundai and Kia combined and only slightly below Toyota, whose market share stood at 12%.

In Europe's electric-vehicle segment, the market share of Chinese-made models rose from 4.2% in 2020 to 20.9% last year. South Korea recorded an even sharper increase over the same period, from 2.8% to 33.9%, including China-made Tesla vehicles.

According to media reports, the European Union is considering extending the additional tariff, currently as high as approximately 35.3% and imposed on electric vehicles imported from China, to plug-in hybrid electric vehicles (PHEVs).

This year, Japan expanded the degree to which electric-vehicle subsidies differentiate among manufacturers according to their contribution to domestic industry, including efforts to stabilise the supply chain. In addition, electric vehicles manufactured in Japan are eligible for larger tax credits based on production volume.

Study: average price of new electric vehicles falls below that of comparable hybrids

The average price of an electric vehicle in 2025 was lower than the average price of a comparable hybrid. According to a study by consultancy Mobility Global, the main reasons were lower battery prices and economies of scale among Chinese automakers.

The calculation was based on the list prices of new vehicles before subsidies and on averages weighted by sales volume. The average price of an electric vehicle was approximately \$37,000, down 9% from 2020. The average price of a hybrid vehicle rose by 16% over the same period to approximately \$39,000.

High prices have until now slowed the expansion of electric-vehicle use in most regions of the world. In China and Norway, where electric-vehicle prices have reached parity with or fallen below those of fuel-powered vehicles, the transition to electric propulsion has been faster. A similar trend may develop in emerging markets.

Electric vehicles are benefiting from falling prices for lithium-ion batteries, which account for approximately 30%-40% of a vehicle's price. The decline comes amid excess production capacity in China, which holds approximately 80% of the global market. According to estimates, battery prices for passenger vehicles fell by 37% between 2020 and 2025.

Automakers are also expanding their use of lithium iron phosphate (LFP) batteries, which do not contain expensive cobalt. These batteries were previously considered to have lower energy density than conventional batteries, but their performance is improving. The expansion of exports by Chinese automakers, which face intense competition in their domestic market, has also contributed to lower prices.

According to data from the China Association of Automobile Manufacturers, the country exported approximately 1.64 million battery-electric vehicles in 2025, compared with fewer than 100,000 units in 2020.

A country-by-country comparison of average prices shows that electric vehicles are currently cheaper than hybrids mainly in South-East Asian and South American countries. As a result, Japanese automakers that have focused on hybrid vehicles and differentiated themselves through low entry prices and long driving ranges are reassessing their strategies.

Electric-vehicle sales have increased in recent months against the backdrop of the war in the Middle East and rising fuel prices. The International Energy Agency forecasts that electric and plug-in hybrid vehicles will account for approximately 30% of global vehicle sales in 2026.

2. Europe

European Commission launches €1.5 billion call to support battery plants

Last year, the European Commission decided to establish a mechanism known as the Battery Booster, intended to provide direct financial support to European battery-cell manufacturers as they scale up production and to reduce the EU's dependence on foreign sources of supply, particularly China. The Commission is now preparing to allocate funding to companies that meet the conditions.

Funding conditions and eligibility requirements:

Funding structure: Companies establishing battery gigafactories in the European Union will be eligible for interest-free loans and conditional grants of up to €500 million per project. The funding is intended to support the transition period until operational profitability and full commercial output are achieved.

Compliance with existing requirements and the battery passport: Funding will be conditional on demonstrating a low carbon footprint in cell production, using renewable energy at the plants and complying with EU regulatory requirements for digital battery passports and minimum recycling rates for lithium, cobalt and nickel.

Industrial context: The measure is being presented against a backdrop of financial difficulties and delays affecting projects by European companies competing with Asian manufacturers. It is intended to strengthen Europe's industrial autonomy in producing a component that accounts for approximately 30%-40% of an electric vehicle's value.

Germany approves traffic benefits for electric and hydrogen-powered heavy commercial vehicles

In August, German lawmakers and the federal government approved an update and extension of the Electric Mobility Act, which provides non-financial benefits to users of electric vehicles.

The main change is the extension of the Act and its benefits to commercial vehicles weighing more than 3.5 tonnes, trucks weighing 7.5 tonnes or more and buses powered by electricity or hydrogen.

Principal benefits and implications for fleets:

Traffic and parking benefits: Electric trucks and buses will be permitted to use designated public-transport lanes in cities, will be exempt from public parking charges while loading and charging, and will be allowed to enter urban areas closed to polluting vehicles.

Exemption from night-time driving restrictions: Electric heavy vehicles will be exempt from night-time driving restrictions imposed on diesel trucks because of noise. The exemption will allow shipping and logistics companies to make quiet deliveries at night.

Supplement to the road-toll exemption: The measures complement the full road-toll exemption available in Germany to zero-emission trucks. The exemption reduces total cost of ownership and could shorten the investment payback period for transport companies.

Employment in Germany's automotive industry falls to its lowest level in more than 20 years

Germany's automotive industry is contending with high costs and competition from Chinese automakers, while major companies are shifting some of their production capacity to China, the United States and other locations. Official data published in August by Germany's Federal Statistical Office point to declining employment in one of the country's principal industries.

According to the data, direct employment in the industry fell to its lowest level since 2005. The number of jobs declined by 5.8% over the past year, equivalent to approximately 42,300 employees. The rate of decline was twice the average across Germany's manufacturing industries.

The main factors behind the decline:

Impact on Tier 1 and Tier 2 suppliers: Most of the cuts are concentrated among suppliers of internal combustion engine components that are unable to convert their production lines at the pace required to manufacture components for electric and electrified vehicles.

Geographical concentration: The impact is particularly pronounced in regions with a high concentration of automotive plants, including the Stuttgart region, Bavaria and North Rhine-Westphalia.

Lower labour requirements for electric-vehicle production: Typical electric powertrains require approximately 30% fewer labour hours and contain fewer components than petrol or diesel powertrains. This has created a structural labour surplus in the traditional industry.

Geographical shift in investment: High energy and labour costs in Germany, combined with growing competition from Chinese automakers, are prompting domestic companies to transfer battery development and production activities to Eastern Europe, Asia and North America at the expense of employment in Germany.

France introduces incentive programme for used electric vehicles

In August, the French government announced a national incentive mechanism for the purchase and leasing of used electric vehicles. The measure reflects a policy shift under which part of the subsidy budget will be redirected from purchases of new electric vehicles, which primarily benefited higher-income households, to the used-vehicle market. The aim is to make clean transport accessible to broader population groups and support the value of used electric vehicles.

Eligibility conditions and grant structure:

Tiered means test: The grant amount will be determined according to household income. Low- and middle-income households below the specified threshold will be eligible for the maximum grant, which will be added to existing scrappage grants. The combination could reduce the cost of replacing an older polluting vehicle with a used electric vehicle by several thousand euros.

Vehicle eligibility criteria: The used electric vehicle must be registered in France, be between two and eight years old and be sold below the specified price cap. The cap is intended to prevent subsidies for used luxury and sports vehicles.

Battery condition verification: Receipt of the grant will be conditional on an official battery diagnostic confirming a State of Health (SOH) of at least 70%. The requirement is intended to ensure vehicle quality and reduce the risk of operational failures.

The measure is also intended to address the anticipated expiry of numerous corporate leasing contracts and the resulting large inflow of used electric vehicles into the market. The government aims to stabilise the used-vehicle market and reduce carbon emissions from transport in France.

3. United Kingdom

United Kingdom reviews its pathway to zero-emission vehicles

In August, the UK government opened a public consultation on the operation of the Vehicle Emissions Trading Schemes (VETS) Order, known as the Zero Emission Vehicle (ZEV) Mandate. The consultation is examining possible adjustments to the target trajectory and compliance mechanisms through 2035, while maintaining the transition to zero-emission vehicles and supporting consumers and industry.

The consultation opened on 14 August and will run for ten weeks, until 23 October 2026.

Automakers, suppliers, chargepoint operators, dealers, organisations and consumers were invited to submit their views. The principal issues under consideration are:

A review of the annual target trajectory for zero-emission vehicle sales, including alternatives to the target set for 2030.

A review of the effectiveness of the existing flexibility mechanisms and the possibility of extending them beyond 2029. These mechanisms include banking surplus credits for use in subsequent years, borrowing credits from future years to cover a current shortfall and transferring credits between the car and van targets. Trading credits between manufacturers is a separate mechanism.

Consideration of alternative approaches and further technical amendments, as well as the categories of vehicles that may be sold after sales of new cars powered solely by internal combustion engines end in 2030.

Under the existing trajectory, the zero-emission vehicle target as a share of new-car registrations was set at 22% in 2024, 28% in 2025 and 33% in 2026.

The original trajectory provided for the target to rise to 38% in 2027, 52% in 2028, 66% in 2029 and 80% in 2030.

The final target for all new cars and vans to be zero-emission by 2035 remains unchanged. However, the consultation is examining several alternative pathways for the interim targets and flexibility mechanisms in order to reduce compliance costs and the risk of penalties.

The move comes against the backdrop of pressure from the Society of Motor Manufacturers and Traders (SMMT). The association argues that although July 2026 data showed an annual increase of approximately 45% in electric-vehicle deliveries and a market share of more than 25%, the pace of sales remains below the target set for 2026.

Industry representatives have argued that the targets require manufacturers to offer substantial discounts to meet their quotas and that this places pressure on the business model at a time of economic uncertainty and supply-chain disruption. The consultation findings may form the basis for future amendments to the VETS Order, and the review is expected to conclude in early 2027.

UK government and industry to invest almost £130 million in advanced vehicle technologies

In August, the UK government announced that it would allocate close to £65 million in public funding to clean-transport projects. Together with matching private-sector funding, total investment will reach approximately £130 million. The projects form part of the DRIVE35 industrial programme.

The main projects receiving funding:

Commercial production lines: £26.9 million was allocated to five companies to move technologies from development to large-scale industrial production. The areas to be supported include domestic extraction and processing of geothermal lithium and powertrain systems for commercial vehicles.

Rare-earth-free motors:

Funding will support the development of an axial-flux motor that does not use rare-earth-based magnets, with the aim of reducing dependence on supplies of raw materials, particularly from China.

Modular battery packs: A joint project involving automaker Bentley and a British start-up will develop flexible battery packs for luxury vehicles.

Recycling and automation: Funding will support the establishment of an automated robotic facility for dismantling, sorting and recycling vehicle battery packs.

The programme includes commitments to create and retain more than 1,800 skilled jobs in the United Kingdom and to meet the local-content targets required under post-Brexit European trade agreements.

4. United States

US automotive employment contracts despite tariffs intended to promote domestic production

The Trump administration is promoting manufacturing and employment in the United States through tariffs on imported products and raw materials. On 4 August, the President stated on Truth Social that his policies were driving investment inflows, the construction of factories and engineering projects and the creation of high-paying jobs.

However, data published in August by the US Bureau of Labor Statistics (BLS) indicate declining employment in the automotive industry. According to preliminary seasonally adjusted data, employment in motor vehicle and parts manufacturing fell by approximately 1%, from around 975,000 in March 2025, before the new tariff policy took effect, to approximately 964,000.

The job losses are attributed mainly to layoffs among parts suppliers, accelerated adoption of automation, rising costs and hiring freezes.

Analysts in the United States note that the automotive industry is among the sectors most affected by the tariff policy. Some companies benefit from import protection, while others are harmed by higher costs.

The slower-than-expected rate of electric-vehicle adoption is also placing heavy financial pressure on parts manufacturers whose investments in upgraded production lines have not delivered the expected returns. At the same time, the conflict in Iran and the increase in oil and petroleum-product prices have raised production costs across many industrial sectors, including the automotive industry.

Overall manufacturing activity in the United States is expanding and is at its highest level since May 2022, but the increase in output is not translating into higher employment. According to the analysis presented in the source document, it primarily reflects greater automation in automotive-parts manufacturing, including the use of artificial intelligence and robots on production lines.

According to analysts, over the longer term the policy of expanding domestic production may create additional manufacturing jobs in the United States.

In July, Toyota announced a planned investment of \$3.6 billion in a pickup truck assembly plant in San Antonio. Honda is considering establishing its eighth assembly plant in North America; Ford plans to transfer some production of Lincoln models from China to the United States by 2030; and Daimler Truck plans to begin construction of a new US plant this year, with production expected to start in 2029.

Preliminary federal government data also indicate that employment among US automotive-parts manufacturers fell by approximately 13,000 jobs in June, a year-on-year decline of 2.5%. The figure reflects the impact of tariffs on raw materials and the slowdown in electric-vehicle adoption. US parts manufacturers also supply plants in Canada and Mexico and are therefore affected by the stagnation and decline in vehicle production in those countries following the imposition of tariffs.

California launches \$3,500 rebate for first-time purchasers of new zero-emission vehicles

In August, the California Air Resources Board (CARB) launched the MyFirstEV programme, providing an instant \$3,500 rebate to California residents purchasing or leasing a new zero-emission vehicle for the first time. The programme is intended to encourage customers who have not yet switched to electric vehicles and to replace some of the federal support discontinued at the end of 2025.

Eligibility conditions and programme structure:

First-time purchaser eligibility: The programme does not apply an income test. It is intended for California residents purchasing or leasing a zero-emission vehicle for the first time. Applicants must declare that they have not previously purchased or leased such a vehicle.

Price cap: For new model-year 2026 and later vehicles, the rebate applies to participating models with a Manufacturer's Suggested Retail Price (MSRP) of no more than \$50,000. For used vehicles, the programme provides a \$1,750 rebate on an eligible vehicle priced at no more than \$25,000. The price caps do not apply to manufacturers headquartered in California that produce only zero-emission vehicles.

Point-of-sale rebate: The benefit is deducted from the vehicle price when it is purchased or leased from a participating dealer, with no need to wait for reimbursement when filing a tax return.

The programme is intended to support California's target of achieving 100% zero-emission sales of new vehicles by 2035.

5. Japan

Japan struggles to secure rare-earth supplies for electric-vehicle production following Chinese export restrictions

As the Chinese government has tightened controls on exports of rare raw materials in recent months, Japan is struggling to secure a stable supply of rare earths required for electric traction motors and semiconductor-manufacturing equipment.

Japanese government data indicate a decline of tens of per cent in imports of critical materials, including dysprosium-iron alloy, which is used to manufacture magnets installed in the traction motors of electric and hybrid vehicles.

China accounts for approximately 70% of global rare-earth mining and more than 90% of global production of rare earths for magnets. It uses its control over the supply of essential industrial materials as a means of economic pressure.

In April 2025, China's Ministry of Commerce imposed export restrictions on seven types of rare earths, including dysprosium and yttrium. In February 2026, the restrictions were extended to exports of dual-use products, with both civilian and military applications, to dozens of companies in Japan, including critical raw materials.

Japan has responded by accelerating the development of supply sources outside China, including Australia and the United States, and by establishing recycling networks for critical materials. Between January and June this year, Japan imported essential raw materials from 12 countries and territories outside China, compared with only three alternative sources during the same period in 2024.

In June, Japan's Prime Minister ordered preparations to begin for a commercial-scale demonstration project to mine rare earths from the seabed near Minamitorishima, Japan's easternmost island.

The shortage is already affecting Japanese companies, which have had to cancel commercial projects in China and draw down existing inventories to maintain supplies to key customers. At this stage, the impact on supply chains remains limited, and industry sources said in August that the shortage had not yet become a significant production bottleneck. According to forecasts, a continued decline in inventories could adversely affect vehicle production in Japan.

6. India

Indian government approves funding for more than 6,500 fast-charging points

India's Ministry of Heavy Industries (MHI) granted final funding approval for the deployment of more than 6,500 public fast-charging points across the country under the new national incentive programme.

The measure is intended to narrow the gap between the sharp increase in electric-vehicle deliveries in India over the past two years and the pace of charging-infrastructure deployment.

Programme data and charger deployment:

Vehicles supported to date: The government programme promoting the transition to electric propulsion has so far subsidised the purchase of more than 2.65 million electric and electrified vehicles. Most are two- and three-wheelers, alongside fleets of urban buses and taxis.

Charger specifications: Approximately 4,800 of the charging points approved for subsidies are intended for public direct-current (DC) fast charging of passenger and commercial vehicles and will be rated at 60 to 120 kW. The remaining charging points will be rated at 150 to 240 kW and will be intended mainly for electric-bus terminals.

Key locations: The charging points will be installed in major urban centres, along 40 intercity transport corridors and at fuel-station sites operated by state-owned companies across India.

At the same time, the government established an accelerated working mechanism with electricity distribution companies to upgrade transformers and allocate high-voltage connections without regulatory delays.

7. China

Share of electric and electrified vehicles in China exceeds 50% following increase in scrappage subsidies

Vehicles classified in China as New Energy Vehicles (NEVs) accounted for more than 50% of private-vehicle sales in the first seven months of the year. The main driver of recent growth was an update to the government subsidy programme for scrapping older vehicles and an increase in the grants available under the scheme.

According to analysts, targeted grants accelerated the trend. Under the revised scheme, a consumer who scraps an older petrol passenger car certified to an obsolete standard and replaces it with a vehicle with an alternative powertrain is eligible for a grant of up to 20,000 yuan, approximately \$2,800. A purchaser of a new petrol vehicle with a small engine is eligible for a grant of up to 15,000 yuan.

The increased grant has created demand for private-vehicle replacement, particularly in smaller cities. Within the alternative-powertrain segment, demand has increased for extended-range electric vehicle (EREV) models offering an electric range of 200-300 km and a combined driving range of more than 1,200 km. These models are particularly suited to customers in outlying areas where charging infrastructure is less dense.

8. South Korea

US administration increases pressure on South Korea to accelerate investment in the United States and threatens higher tariffs

In August, South Korean media reported that the US administration had pressured the country's government and warned that tariffs would be raised unless South Korea accelerated the investments it had committed to under the new trade agreement.

In response, the government convened an emergency meeting with the relevant ministries to discuss possible measures. In July, the United States imposed a 12.5% tariff on imports from South Korea under Section 301 of the Trade Act. If further sanctions are imposed, the total tariff rate could exceed 15%.

According to government officials, the US Department of Commerce expressed dissatisfaction with a ten-month delay in a \$200 billion South Korean investment in the United States. This amount does not include a further \$150 billion for cooperation in shipbuilding, which South Korea committed to in the joint principles document signed at the Korea-US summit last October.

When the agreement was signed, the parties agreed on a reduced reciprocal tariff of 15% on imports from South Korea, principally vehicles and parts, conditional on the investments being made in the United States. After a federal court invalidated this condition, the administration imposed new tariffs under Section 301 of the Trade Act.

The South Korean government said in response that discussions were taking place through various channels regarding joint strategic projects and that it was working to resolve trade issues with the United States through coordination among government ministries.

The United States expressed dissatisfaction that Japan had already announced two investment projects in the United States in February and March, while South Korea had yet to announce its first project. Because negotiations with South Korea ended three months after those with Japan, there is a widespread view in South Korea that the US criticism is being used as a means of political pressure. A government official linked the issue to the US midterm elections in November and said that selection of the first project was proceeding as planned.

In July, the United States announced that it would impose tariffs of 10%-12.5% on 60 countries that had not adopted or implemented import bans on products made using forced labour, under Section 301 of the Trade Act. South Korea was subject to a tariff of 12.5% under this measure.

The new tariffs were imposed after the US Supreme Court ruled that the global tariffs initially imposed by the Trump administration were unlawful.

Despite the tariffs, South Korean vehicle exports to the United States increased by approximately 2.1% in the first half of the year, mainly because of higher demand for hybrid vehicles. The value of South Korean hybrid-vehicle exports to the United States rose by approximately 85% during the period.

9. Israel

Ministry of Transport issues cybersecurity recommendations for vehicle importers, covering management, pre-delivery facilities and service workshops

In August, the Ministry of Transport's Sectoral Cybersecurity Unit and Traffic Administration published professional guidance containing cybersecurity recommendations for vehicle importers and service workshops in Israel.

According to the Ministry of Transport, approximately 96% of vehicles imported into Israel comply with European regulations, which incorporate UN Regulations R155 and R156.

These regulations require automakers to implement a Cyber Security Management System (CSMS) and a Software Update Management System (SUMS) as part of the type-approval process. However, they do not fully regulate the organisational and operational aspects of vehicle importation, pre-delivery preparation, maintenance and servicing in Israel.

The guidance is intended to provide importers and service workshops with a framework for managing risks at these stages. It is based on risk management according to the level of exposure, defence in depth and separation between organisational and operational networks. The document includes organisational controls relating to governance, risk management and the supply chain, alongside operational controls at vehicle pre-delivery facilities and service workshops.

Principal recommendations:

Management responsibility and governance: The guidance recommends appointing a Cybersecurity Officer on behalf of the organisation and a professional Cybersecurity Manager, who may also be engaged on an outsourced basis. It also recommends establishing a cybersecurity steering committee chaired by a vice-president and convening it at least once every six months. The document recommends drawing on the principles of ISO/IEC 27001. Its reference to the standard focuses on the organisation's core systems and critical assets and does not make certification a prerequisite.

Risk management: It is recommended that a technology risk assessment and penetration test be conducted once every 18 months and following material changes to systems or infrastructure. The findings should be used to update the work plan and prioritise risk treatment.

Service continuity and cloud infrastructure: The document recommends preparing service continuity and cyber-incident recovery plans and giving preference to cloud infrastructure located within Israel's sovereign territory.

Supply chain and suppliers: It is recommended that suppliers be classified according to the cybersecurity risk arising from their activities and that material suppliers undergo periodic assessment. The assessment may include an annual self-assessment questionnaire and verification of compliance with the security requirements established in the engagement.

Cyber-incident reporting: The document recommends reporting high-severity cyber incidents to the Sectoral Cybersecurity Unit within 24 hours, including data leaks, ransomware attacks, service outages or harm to vehicles.

Operational controls at service workshops and pre-delivery facilities: It is recommended that only original software and firmware be used and that modifications by unauthorised parties not be permitted. It is also recommended that support and diagnostic equipment be registered and tracked, protected against unauthorised use and stored in a locked area.

The document also addresses the security of vehicle access interfaces, including USB, Bluetooth, Wi-Fi, OBD-II, cellular and satellite communications. Among other measures, it recommends restricting connections to the CAN bus through the OBD-II interface to read-only access when writing to the vehicle's systems is not required.

Status of the document: The guidance is defined as a voluntary professional document. Its recommendations do not replace vehicle manufacturer instructions or applicable legal requirements and do not in themselves create a legal obligation or enforcement mechanism.

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