

CLEPA Position on Education and Skills needed for Future Innovation in the European Automotive Industry

The automotive suppliers collectively employ 5 million people in Europe, making it a leading creator of wealth on our continent. This industry is constantly adapting to a number of megatrends that impact our mobility today and in the future. These currently include further urbanisation, demographic changes (especially in Asia and Europe), smart and sustainable cities. As a consequence, European industry is expected to develop innovative solutions on further energy efficiency, connectivity, hybridisation and alternative powertrains. In addition to the EU and national frameworks for competitiveness overall such innovations urgently require new policy solutions to support the development of highly qualified automotive professionals and to counter the increasing skills shortages we are experiencing in the European automotive sector.

Competitiveness challenge - Increasingly, the industry in Europe and the West in general, is battling to compete against their lower factor cost rivals, most of whom are also developing significant design, engineering and RDI capabilities. To remain competitive the European automotive industry should concentrate in creating high added value as the labour costs are likely to remain very high in global comparison. It is therefore essential to reduce the direct and indirect charges to compensate for these high product costs. In addition industry must focus on increasing its productivity and on developing innovative solutions and services in several market segments including small passenger cars. These cover products and services featuring: 1. Decarbonisation of road transport, including advanced ICE power-trains; 2. Advanced lightweight materials; 3. Advanced Safety features; 4. Intelligent transport systems and vehicle communication; 5. Manufacturing-engineering technologies for new mobility solutions.

Skill gap - A skilled workforce is an absolute necessity to innovate, develop and manufacture new technologies and innovative processes capable to competing successfully in a global market environment. In this context the core problem is a qualitative and quantitative shortage of skills. This is due mainly to the ageing workforce, the poor image of the manufacturing sector in the eyes of young talent, the wide diversity of national education systems and cultures and the ever accelerating pace of technological change. There is a tremendous need to improve the available skills base increasing the number of STEM (Science, Technology, Engineering and Mathematics) graduates fostering inter-disciplinarity. The EU and Member States must take a longer term approach and anticipate the needs of the industry in the respect of skills, innovation and the completion of the internal market. In the immediate future, to ensure the availability of highly qualified personnel, Europe must focus on high quality vocational and educational training that reflects labour market needs.

Funding - EU funds such as the European Social Fund, European Regional Development Fund are needed to train and retrain the workforce from traditional tasks to design and deliver the technologies and services for new mobility solutions.

European Automotive Employment and Skills Council - Considering the limits of EU competences in education policy, the EU should focus its support programs on the identification and promotion of best practices in key areas where Europe already enjoys or could achieve technology leadership. To secure the skill sets, industry should work on:

strengthening the attractiveness of the sector; close connections between university and industry; sharing of national best practices. The planned European Automotive Skills Council will be a useful tool to reach this goal.

Therefore, joint efforts by industry and political actors are urgently needed for developing and providing skilled workforce to the innovative and competitive European automotive industry. We urge the European Commission to elevate this to a priority issue with European automotive stakeholders and specialists in skills and innovation within the new CARS 2020 framework. Failure to adopt more progressive skills and innovation policies for the European automotive sector will significantly impede the European industry's efforts to develop new competitive advantages through high-value innovations over the emerging market car producing countries.