



EU Mobility Transport Automotive Ecosystem

European Cluster Collaboration Platform

Webinar

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The ecosystem approach to Community industrial policy

- The communication “[A new industrial strategy for Europe](#)”:

“ecosystems encompass all players operating in a value chain: from the smallest start-ups to the largest companies, from academia to research, service providers to suppliers”.

- The communication “[Europe's moment: Repair and Prepare for the Next Generation](#)”:

“The pandemic has served to reaffirm the interdependence of our economies and the importance of a fully functioning Single Market. [...] Our industrial ecosystems are increasingly integrated and connected. Research, engineering, manufacturing, assembly and servicing often take place in different parts of Europe, and allow businesses to be more competitive and focus on what they do best. This will be exactly what is needed for Europe’s recovery”.

The ecosystem approach to Community industrial policy

- The Commission staff working document [Identifying Europe's Recovery Needs](#)

“The notion of Ecosystems captures the complex set of interlinkages among sectors and firms spreading across countries in the Single Market [...]. The Ecosystems encompass all players operating along a value chain: the smallest start-ups and the largest companies, the research activities, the services providers and suppliers. They allow for a bottom-up approach that takes into account specificities of business models, high percentage of vulnerable players (SMEs and micro) and interdependencies.”

Why the ecosystem lens?

- Highlights **interdependencies** between Member States.
- Identifies efficiency bottlenecks and **Single Market** shortcomings.
- Takes into account the **regulatory context**.
- **Dynamic** concept and (attempted) real time measurement.

Industrial Ecosystems in Europe

- Social enterprises, associations and cooperatives aiming at generating a social impact, often proximity based

- Retail sales
- Wholesale connected to consumers

- Building of residential and non-residential estates
- Building of roads and railways,
- Building of utilities and civil engineering
- Associated activities

- Telecommunications
- Software publishing, computer programming and consultancy
- Data processing, hosting, web portals
- Manufacturing of computers, communication equipment and consumer electronics

- Pharmaceuticals and other medical products
- Personal protective equipment
- Medical services, hospitals, nursing homes, residential care

- Plant and animal production
- Processing of food

- Passenger transport and travel
- Hotels, short term accommodation
- Restaurants and catering
- Events, theme parks

- Newspapers, books and periodicals
- Motion picture, video and television
- Radio and music

- Aircraft production
- Space manufacturing and services
- Defense products and technologies

- Production of textiles, wearing apparel, footwear, leather and, jewellery

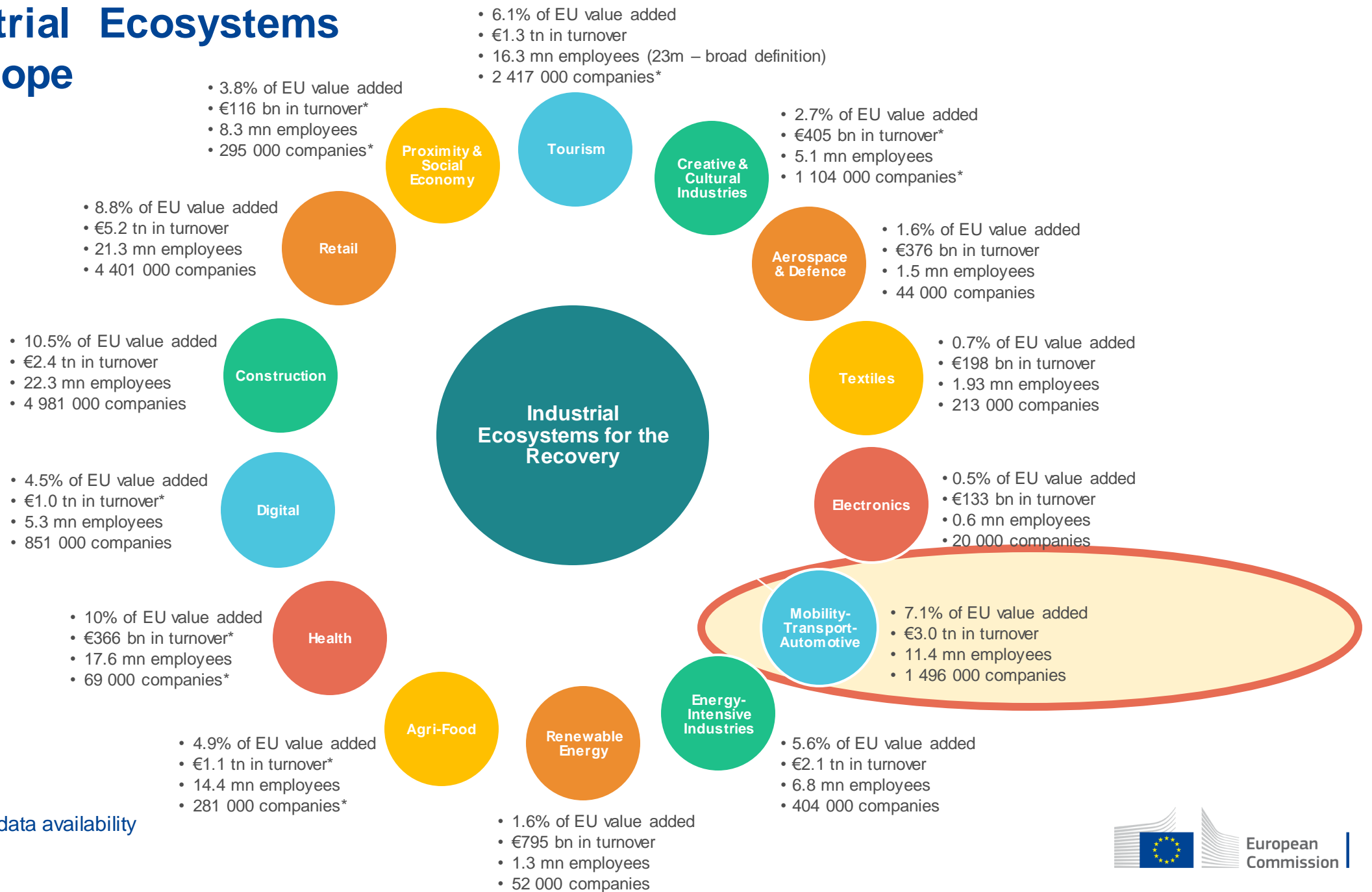
- Raw starting materials (semiconductor wafers)
- Semiconductor manufacturing tools
- Design and manufacturing of semiconductor components

- Production of motor vehicles, ships and trains, and accessories
- Their repair and maintenance
- Transport

- Raw materials
- Manufacturing of products with high environmental impact: chemicals, iron and steel, forest-based products, plastics, refining, cement, rubber, non-ferrous metals, fertilisers, etc.

- Electric motors, engines and turbines
- Electric power generation
- Manufacturing and distribution of gas

Industrial Ecosystems in Europe



Warning:

Preliminary data

* Underestimation due to data availability

Mobility, transport and automotive ecosystem

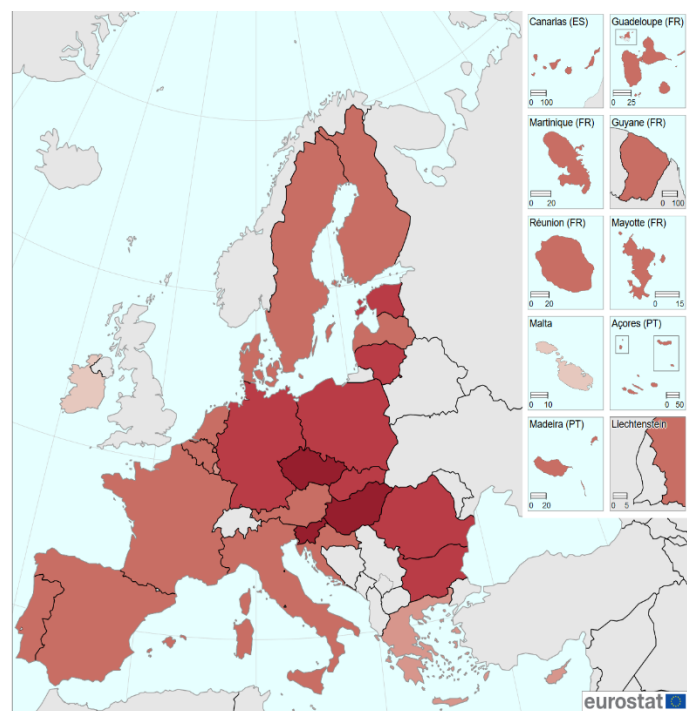
- Identification

- 7.1% of the EU value added
- Covers production of motor vehicles, ships and trains, accessories, their repair and maintenance, freight transport
- Directly employs more than 11m people in 1.5m companies, incl. 99.7% SMEs (indirect employment much larger)

- Health bulletin

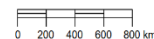
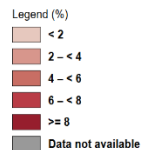
- Supply chain disruptions
- Reduction in production and sales
- Huge investment needed for electrification and automation

"Mobility-Transport-Automotive" Ecosystem as a share of value added by Member State EU27

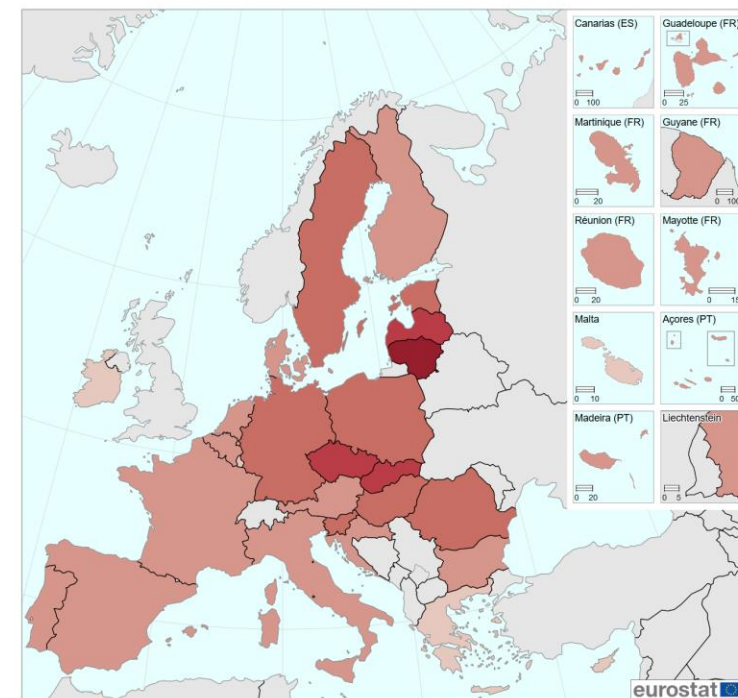


% shares of total Value Added in the country

Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat
Cartography: Eurostat – IMAGE, 04/2020

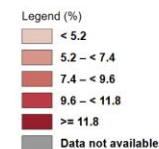


"Mobility-Transport-Automotive" ecosystem as a share of Employment in the country EU27



% share of Employment in the country

Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat
Cartography: Eurostat – IMAGE, 06/2020

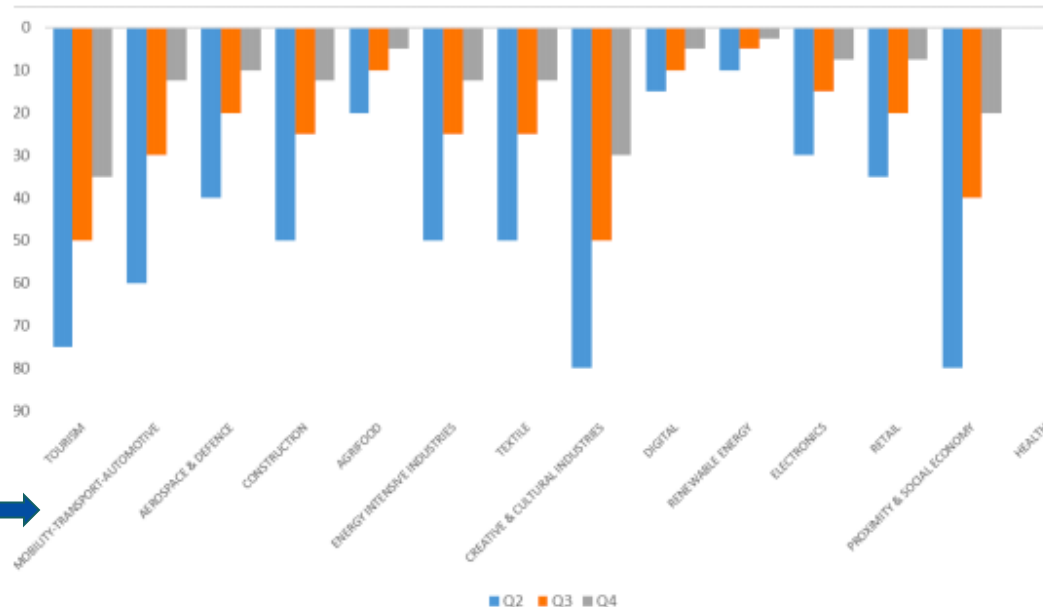


Source: Eurostat.

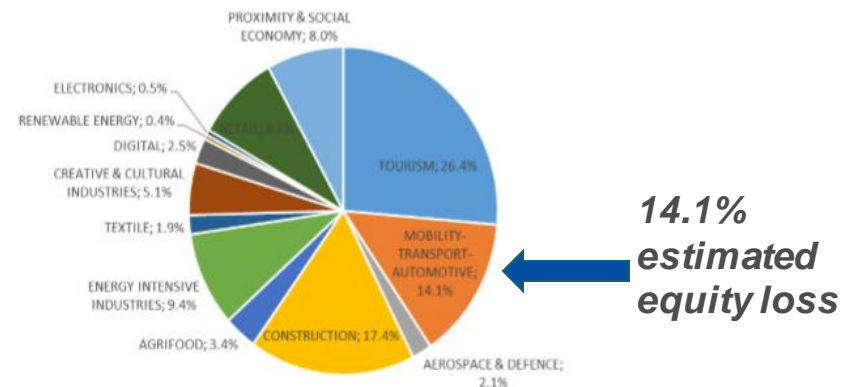
Mobility, transport and automotive ecosystem

- Impact of CoVid-19 crisis – Key dimensions

Current and expected drops in turnover reported by Industry (share of turnover).



Equity losses per ecosystem (share of total ecosystem losses).



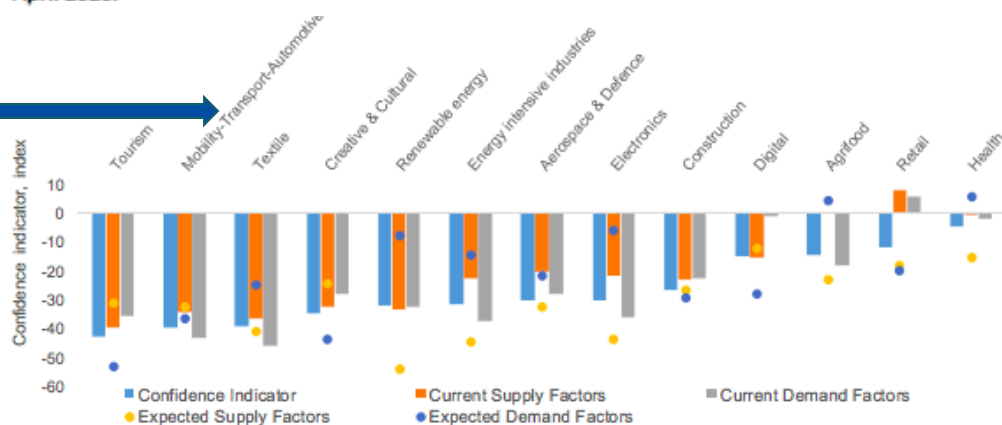
14.1%
estimated equity loss

	Scenario €720bn	Scenario €1200bn
Tourism	171	285
Mobility-Transport-Automotive	91	152
Aerospace & Defence	13	22
Construction	113	188
Agri-food	22	37
Energy Intensive Industries	61	101
Textile	12	20
Creative & Cultural Industries	33	55
Digital	16	27
Renewable Energy	3	5
Electronics	3	5
Retail	57	94
Proximity & Social Economy	52	87
Health ²⁵	N/A	N/A
Total	€648bn	€1080bn



60% to 10%
drop in
turnover
over Q2-Q4
2020

Confidence Indicator of EU Industrial Ecosystems: Current and Expected Supply and Demand Factors, April 2020.



Negative
confidence
indicator (#2)
over Q2-Q4
2020
(Major
improvement
in June 2020)

Source: Joint Harmonised EU Programme of Business and Consumer Surveys data.

Mobility, transport and automotive ecosystem

- Challenges

- Supply chain disruption, falling demand and production - Resilience issues
- Green and digital transformations in progress making the ecosystem more vulnerable to external shocks
- Pollution and emission targets – Radical shift in technologies and regulatory framework changes: smart e-mobility and clean technology shift
- Changes in consumer behaviours, production methods, logistics and after-market models (incl. Marketing, after-sale, car leasing and financing)
- Data security and privacy
- Huge investment needs and infrastructure gap
- Workforce skilling and upskilling needs
- Increased competition (new entrants) and market divergences worldwide

- Opportunities

- Green and digital transformations: uptake of advanced clean-tech and digital technologies creating synergies and spill-over effects for other sectors of the economy (e.g. smart grids) – Enhanced competitiveness and resilience
- Key role of innovation (e.g. patents) and new business models involving high value creation and reskilled/upskilled job creation
- Developing business, manufacturing and marketing models fit for a climate-neutral economy by 2050 (e.g. manufacturing 4.0, smart factory and administration)
- Strengthened infrastructure – Ensuring accessibility, connectivity and affordability of transport and vehicles for EU citizens

Mobility, transport and automotive ecosystem

- EU initiatives
 - **Raised climate ambition and proposal of 55% cut in emissions by 2030**
 - See [The 2030 Climate Target Plan: A Vision for Europe](#)
 - **Clean vehicles and future clean-proof technologies**
 - See [Public consultation European vehicle emissions standards – Euro 7 for cars, vans, lorries and buses](#) (July - 9 November 2020)
 - **European Battery Alliance**
 - See [EU Battery Alliance: the Commission reiterates need to boost industrial resilience, strategic autonomy, green and digital recovery](#), 20 May 2020
 - **Connected & Automated Mobility**
 - See [EU strategy on connected and automated mobility](#) (March 2019) and recently [Commission Recommendation on a common Union toolbox for reducing the cost of deploying very high capacity networks and ensuring timely and investment-friendly access to 5G radio spectrum](#) (18 September 2020)
 - **Pact for Skills (July 2020)**
 - See European Commission [Communication on a European Skills Agenda for sustainable competitiveness, social fairness and resilience](#), 1 July 2020; *Virtual table with the Automotive industry and Commissioners Breton and Schmit* (23 September 2020)
 - **Financial support for sustainable support and mobility:** the Recovery and Resilience Facility, the Just Transition Mechanism, InvestEU, Horizon Europe
 - See [2021-2027 long-term EU budget & Next Generation EU](#) (Adoption planned end 2020)
 - **“Recharge and refuel”:** the European Commission is identifying **priorities per Member State for investment and reforms**, to help guide negotiations with Member States, assuring EU and national priorities are addressed and aiming for consistency of Member States **Recovery and Resilience Plans**
 - See [Published Guidelines for the Recovery and Resilience Facility and template](#) (17 September 2020)

Thank you



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