



**European Committee
of the Regions**

State of play and future challenges of automotive regions

Study description

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Study objective

To identify the **preparedness of different EU regions** for the upcoming transformation of the automotive sector

Sub objectives



Identify the **current composition** of the automotive sector within different regions and their challenges

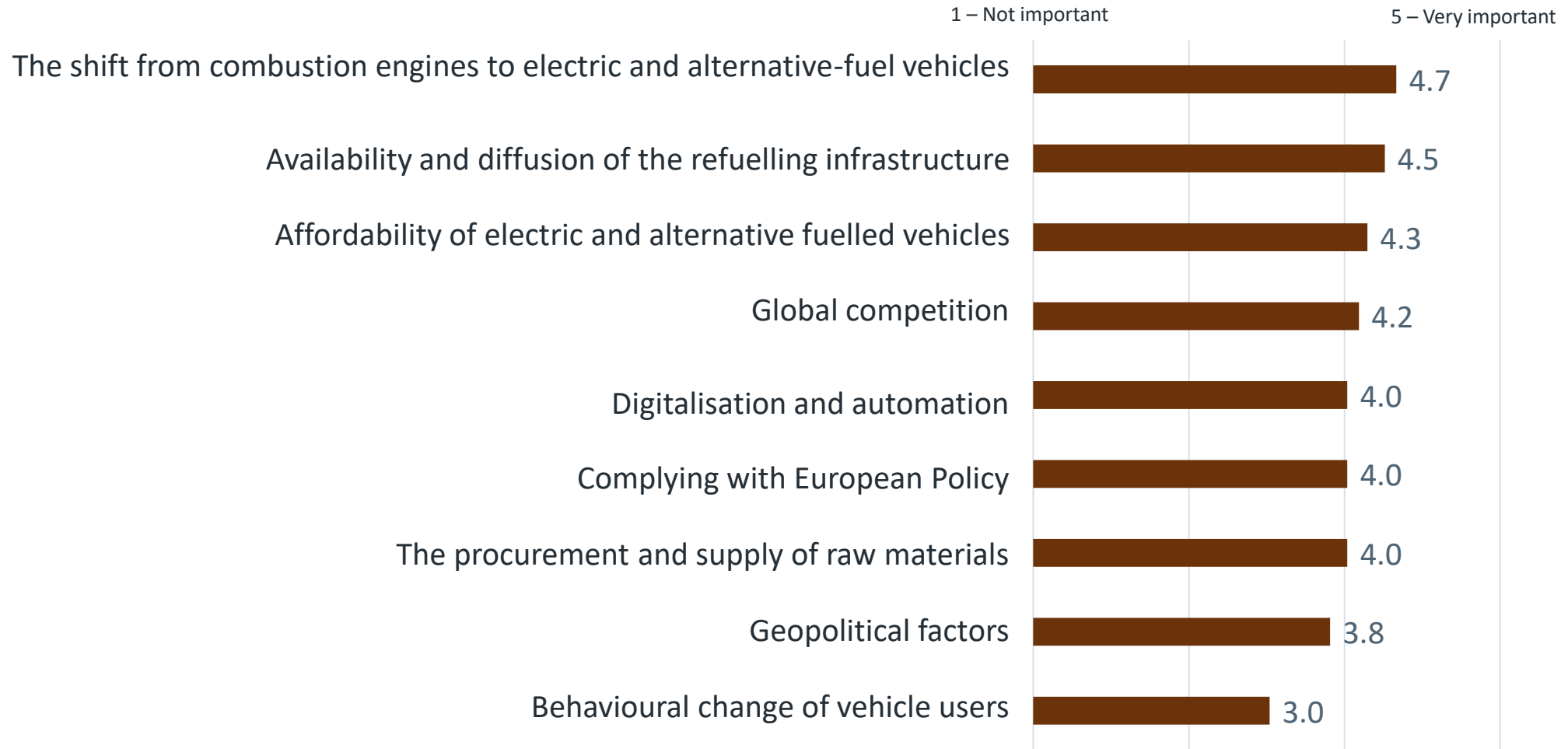


Identify elements for a **regional transformation strategy**



Develop a **KPI framework** to keep track of the transition of different regions and potentially develop new KPIs, building on “Route 35 Platform” KPIs

Survey: main challenges regions are facing



Source: Panteia, Ramboll and Tplan (2023) Survey among automotive regions in Europe.

Elements for a successful regional transformation strategy

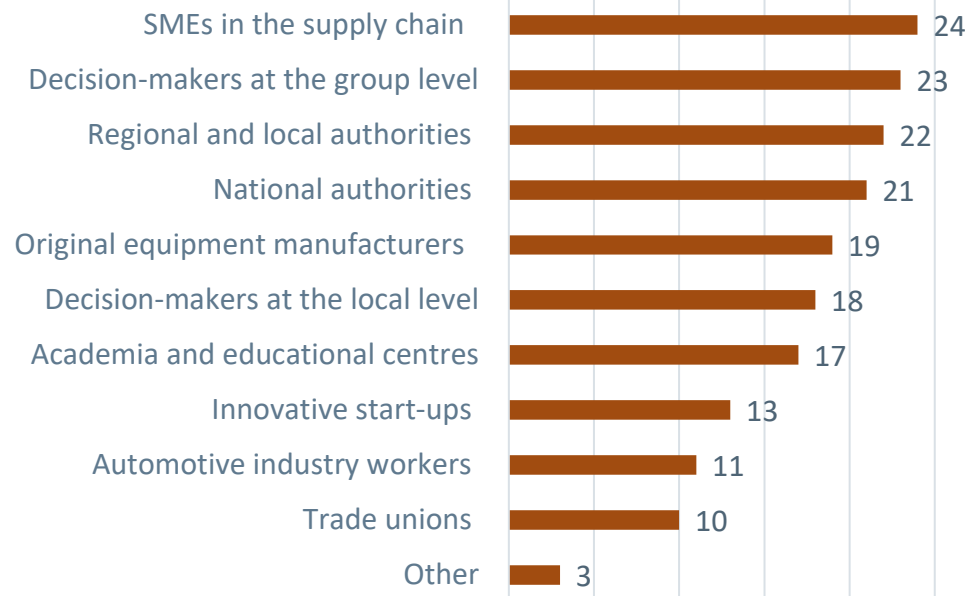
- Survey: out of 27 regions, 12 have strategies, 12 regions are preparing a strategy, and 3 regions not having/developing a strategy.
- Case studies show that a wide variety of approaches exists:

Type of region	Strategy
Baden Württemberg	“e-mobil BW”, established in 2007, is a government funded institution that closely collaborates with the sector
Catalonia	Automotive Industry Cluster of Catalonia (CIAC), an institution established in 2013, and initiated and primarily driven by the industry
Emilia Romagna	Pact for Labour and Climate (2020), an economy-wide strategy established by the government together with the sector
Bratislava-Trnava	No dedicated strategy but various regional initiatives exists
Silesia	No dedicated strategy but various regional initiatives exists

Elements for a successful regional transformation strategy

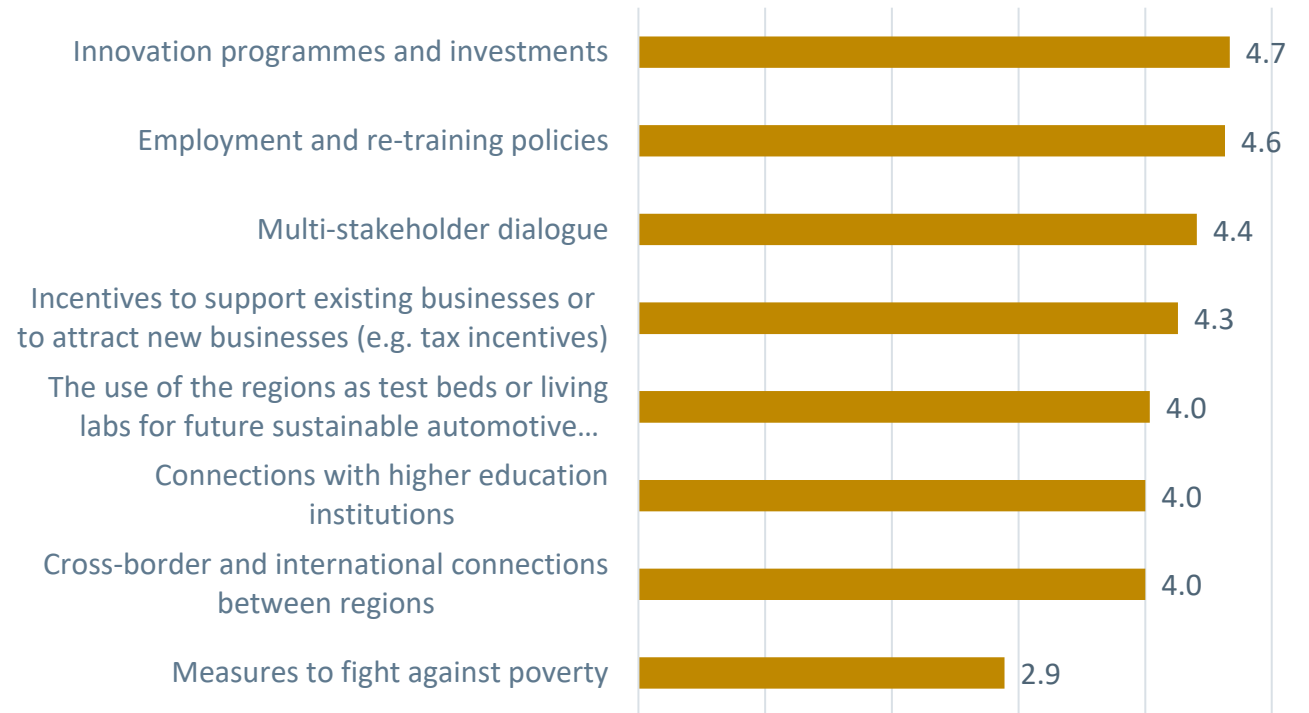
- Survey: a broad range of stakeholders are suggested to be included

Stakeholders potentially contributing to a regional transformation strategy (number of responses)



- Survey: a successful strategy consists of many components

Importance of potential measures for a regional transformation strategy (scale 1 – 5)



KPI framework

- The launch by the European Commission of the Route 35 Platform aims to support the automotive sector in the transition process and measure the transformation progress
- 5 KPI areas defined in the “Route 35 Platform” to monitor the transition:
 - Charging infrastructure
 - Electricity capacity generation
 - Raw materials
 - Jobs
 - Affordability
- How relevant are these KPIs for regions?



#StrategicAutonomics: R... for
Route35



Thierry Breton
European commissioner for Internal market
Published Sep 4, 2023

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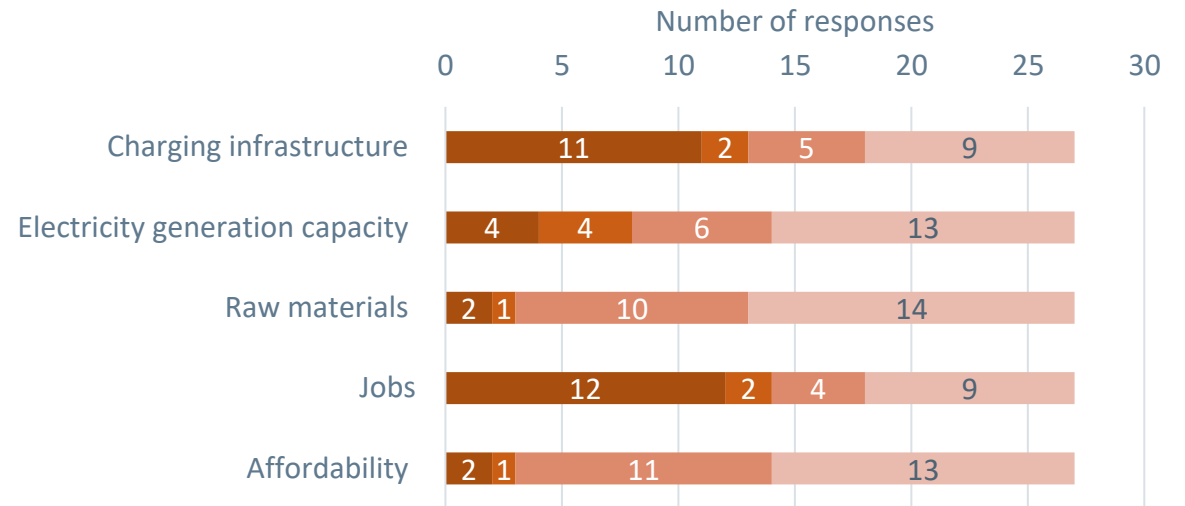
KPI framework relevance

KPI area	Importance for regions
Charging infrastructure	Highly relevant – but no regional data collection is taking place on the EU level.
Jobs	Highly relevant – Eurostat already produces regional statistics on jobs, but regions seem to be in need of more details: operations and activities of the automotive sector in the regions, especially concerning R&D, employment/labour market trends, support to FDI, clusters and cooperation among industry players
Affordability	Comparing new/2nd hand prices of EVs with population/household purchasing power is highly relevant for regions, but limited regional information is available (except for vehicle stock)
Electricity capacity generation & raw materials	Lower regional relevance as not necessarily part of the regional ecosystem

KPI framework relevance

- Survey: only limited regional initiatives exist to produce regional statistics for monitoring
- Survey: all respondents consider it critical to monitor the automotive transformation process
- Survey: automotive regions should invest in implementing a common KPI monitoring program but highlight potential difficulties in terms of financial and resource capacities for their regions to develop and implement such an activity

Quantitative monitoring of progress in the five areas identified in the Route 35 Platform



- Monitoring activities are in place
- Monitoring activities will start soon that will make the indicators available
- No monitoring programme defined as yet
- Don't know

Recommendation

- The five “Route 35” KPI areas cover overall the main elements of the automotive transition, but with a different importance for regions
- There is a lack of data being collected on indicators relevant for the regional level, despite the urgent need to monitor the automotive transition progress at the regional scale
- Key questions for regions risking to be insufficiently addressed in the Route 35 framework are:
 - How do firms re-structure their organisation and production processes?
 - How are local labour markets making the automotive transition?
 - How do skills, education and training systems adapt to the development of new areas of growth?
 - How do local governments, economies, firms, clusters and regional ecosystems adjust to automotive transformation?
 - How do citizen perceive automotive transition and their role within the process?

Monitoring Programme

- To better monitor if regions are transitioning successfully, we recommend the establishment of a **Monitoring Programme for Automotive Regions**
- This program focuses on monitoring KPIs **with higher relevance for regions** (mainly on jobs, charging infrastructure and affordability) and which are **not yet captured** by the available indicators and/or data granularity
- Such a monitoring programme requires **cooperation and coordination** among selected automotive regions (beyond ARA members) to find agreement on the set of relevant indicators to be monitored and the mechanisms for measuring and populating these indicators.



Conclusions

- The automotive industry can be broadly divided into **core, periphery and semi-periphery regions**, with an overlap in challenges between regions as they simultaneously fulfil different functions in the supply chain. **Labour shortages and retraining**, as well as the transition to **EV production and adoption**, are among the main challenges for all regions.
- A successful regional transformation strategy involves **many stakeholders from different levels** and a host of initiatives, with **innovation and investment programmes and employment and re-training policies**, considered the most important elements
- Regions risk being insufficiently monitored by the “Route 35 platform” KPI areas as insufficient data is being collected on **a regional level on indicators relevant to regions**.
- We therefore recommend the establishment of a **Monitoring Programme for Automotive Regions** where selected regions monitor a selected list of indicators relevant to regions, building forth on existing initiatives (Eurostat, SDG, TEN-T policy indicators)