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VDE study: Electromobility is a test for Germany as an automotive location

- **The future belongs to e-mobility – shortage of skilled workers and low productivity leaps are the biggest problems for the German automotive industry**
- **Mass market will be hit hardest – if things continue like this, inexpensive e-cars will mainly come from China by 2035**
- **There will be a shortage of workers, although the number of employees is falling – Image blemish since Dieselgate a particular disadvantage when recruiting young talent**
- **Industry calls for predictable framework conditions**

(Frankfurt a. M., 29.04.2024) The German automotive industry must significantly increase its productivity and innovative strength in new technologies. This is the conclusion of a study for which the VDE surveyed high-ranking executives and company bosses from various areas of the value chain as well as politicians. These included representatives from car manufacturers, suppliers, battery producers and research and development. However, the experts surveyed are also convinced that the German automotive industry is definitely competitive when it comes to electromobility.

"We assume that electric vehicles will dominate the market in the future. That's why we asked how well prepared Germany is from the perspective of key players," explains Dr. Ralf Petri, Head of the Mobility Division at VDE. "Expressed in school grades, the respondents rated the competitiveness of the German automotive industry as 3+. We cannot be satisfied with that."

Designing cost-effective e-cars in Germany

In the opinion of those surveyed, Germany as an automotive location is not sufficiently prepared for the far-reaching change. The fact that the industry has been doing very well in recent years

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has led to a loss of competitiveness. This is now taking its toll as interest rates have risen, energy prices are high and competition from abroad is becoming ever stronger. Catching up in terms of competitiveness, particularly in the core areas of software and battery technology, is therefore seen as crucial. Manufacturing processes must be radically redesigned, including more automation. There is an urgent need to develop solutions, especially for inexpensive e-cars for the mass market. Otherwise, vehicles from this segment will mainly come from China by 2035.

Creating predictable framework conditions

The transformation of the industry, growing international competition, ongoing global crises and high energy prices and interest rates have led to greater uncertainty. Politicians and industry agree that there is an urgent need for predictable framework conditions – among other things, to create more investment security.

Tackling the persistent skills shortage in the areas of software and AI

Alongside productivity, the shortage of skilled workers is seen as the biggest challenge. The professional requirements in the automotive industry will change noticeably. Digital skills are coming to the fore. For technological innovations such as autonomous driving, knowledge of programming languages, software architecture and data science is essential. The demand for these job profiles exists across all industries, and competition is correspondingly high. Attracting these digital experts is crucial for the future viability of the automotive industry. A particular disadvantage of the automotive industry is that its reputation is overshadowed by discussions about Dieselgate and climate protection, especially among the younger generation.

"When company bosses report that they have to turn down orders because they don't have the employees, it's worrying. We also need a new, positive narrative here," says Dr. Ralf Petri: "Although the German automotive industry has largely recovered financially from the diesel scandal, it has never completely got rid of the image stigma. Electromobility and sustainable transport solutions offer the opportunity to correct the perception of the industry. The role of technology should not be emphasized as an obstacle, but as a solution to environmental challenges."

About the VDE Mobility Study

For the second time, the VDE has surveyed opinion leaders from politics and the mobility sector. Two years ago on the drive portfolio of the future – how it can be designed in a balanced and ecological way and aligned with the needs of consumers. The new VDE study aims to

identify and reflect current and future challenges, opportunities and trends - particularly in the context of the transition to electromobility, digitalization and the global competitive landscape.

The study is available for download here (German).

About DKE

The DKE German Commission for Electrical, Electronic & Information Technologies (DKE) is the national platform for about 9000 experts from industry, science and public administration to elaborate standards and safety specifications for electrical engineering, electronics and information technology. Standards support global trade and, among other things, the safety, interoperability and functionality of products and systems. As a competence centre for electrotechnical standardization, the DKE represents the interests of German industry in European (CENELEC, ETSI) and international standardization organizations (IEC). In addition, the DKE provides comprehensive services in the field of standardization and VDE specifications.

For more information, visit www.dke.de

About VDE

VDE, one of the largest technology organizations in Europe, has been regarded as a synonym for innovation and technological progress for more than 130 years. VDE is the only organization in the world that combines science, standardization, testing, certification, and application consulting under one umbrella. The VDE mark has been synonymous with the highest safety standards and consumer protection for more than 100 years.

Our passion is the advancement of technology, the next generation of engineers and technologists, and lifelong learning and career development “on the job”. Within the VDE network more than 2,000 employees at over 60 locations worldwide, more than 100,000 honorary experts, and around 1,500 companies are dedicated to ensuring a future worth living: networked, digital, electrical. Shaping the e-dialistic future.

The VDE (VDE Association for Electrical, Electronic & Information Technologies) is headquartered in Frankfurt am Main. For more information, visit www.vde.com

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