IndustriALL Steering Committee Meeting on ICT Electrical & Electronics

A view from Europe

Tokyo- 06.04.2016
Europe still in crisis

• Economic growth is not back despite slight improvement
• Unemployment still high
  • 11% on average;
  • 5% to 25+% per country
• Security threat /Terrorist attacks
• Migrant crisis
• Disappointment with the idea of Europe: rising nationalisms
• But still a better place to live in?
• Social model challenged by free market ideologies
Economic zones experience differentiated growth dynamics

• Opposition between the European trend... and the growth experienced by the USA and Asia.

• Since 2011, the EU weight in the global market has been shrinking by almost 3 %, and 5 % for the Consumer electronics sub-sector.
250K jobs in ICT manufacturing have been lost in the last 7 years.

- 1,25M of employees in 2013 in ICT manufacturing (-16% since 2007).
- Main countries in terms of ICT employment:
  - Germany with twice as much employees as the second country within EU...
  - which is France, followed by the UK and Italy.
But the worrisome shortage of ICT specialists should heighten in the next years

- Though job cuts in ICT manufacturing have been numerous, the industry needs for ICT specialists are growing => potential shortage of 11% of the 2020 workforce.
- Change of the profiles needed, with more skilled employees sought after (managers, architects, and analysts vs. less demand for industry and engineering technicians as a result of automation, off-shoring and productivity gains).
European social model at risk

- Social dumping between European countries
  - minimum salaries reduced or dismantled (except: Germany)
  - internal / external migrants
  - more precarious work contracts
  - less coverage by collective agreements
  - anti-union behavior

- Digitization blurs boarders
  - Working place
  - Working time
  - Work organisation

- Key question: right share of the added value to workers
New unions strategies needed

• Lobby political authorities: industrial policy, standards, fair competition
• Push for skills and qualifications upgrade
• Use Corporate Social Responsibility weapons
• Get out of the factory. Attract new types of workers with new tools (social networks)
• Develop economic thinking and alternative policies:
  • Strategic study on ICT
  • Circular economy

• and still fight for workers rights worldwide
ICT SWOT: global view

- Strengths
- Weaknesses
- Opportunities
- Threats
ICT SWOT: STRENGTHS

STRENGTHS

• Europe’s still a major market
• European workforce skills
• European infrastructures
• Some strong sectors: smart cards, connectors, cables, telecom equipment providers...
• Strong industrial sectors with an increasing part of electronics
ICT SWOT: WEAKNESSES

WEAKNESSES

• Few or no European giants
• Almost no manufacturing left in Computers, Telecom and Consumer Electronics...
• No major players in Mobile handsets, computers, consumer electronics...
• Low public support on strategic segments (semicond.)
• Lack of venture-capital
• EU turmoil/weakness/lack of firm governance
ICT SWOT: OPPORTUNITIES

- Worldwide growth trend in the mid-run for most ICT markets
- Ride the tide generated by technological trends (Fablab, IoT...)
- Leverage industrial electronics through strong industrial sectors (aerospace, automotive, energy...)
- Smart grid/industry/city
ICT SWOT: **THREATS**

- US (innovation + industrial policy)
- Asia (growth + costs + innovation + industrial policy)
- M&A involving big European actors is a threat for most sectors
- Concerns about the future of large European groups (ST Microelectronics, Nexans...)
- GAFA moving along the value chain (Google/Fiber rollout/payment; Netflix/film creation; Amazon/books publishing...)
Might the tide turn?

• Some locations can be found in Europe with a promising density of innovation and start-ups
• Internet of Things might be a chance for Europe to bounce back.
• Industry 4.0 could also lead to a new dynamic, but with jobs at risk
• **Circular economy: an ambition for trade unions in Europe**
  ▶ A must for sustainable development
  ▶ A chance for in-shoring of activities
  ▶ An uncertain balance for employment
  ▶ Pushed by European Commission (Circular Economy Package December 2015) and by IndustriAll Europe (paper under finalization)
Circular economy flow

- (long-life) Product
- Maintain
- Repair
- Upgrade Retrofit Refurbish
- Dismantle Disassemble
- Recycle
- Waste

Full product
Economic+ Ecological Value
Module Component
Raw material
An industrialised Circular Economy to boost industrial jobs in Europe

- Standards + regulation
- Skills
- Investment in technologies: ICT, Industrial Automation, Separation

Industrialised testing, maintenance, repair, upgrade, disassembly, sorting, recycling...

- Secure, affordable, high-quality raw materials
- Low-carbon, competitive energy-intensive industries

Industrial jobs in Europe
Circular economy: conditions for success

- Legal framework
- Industrial standards
- Support for innovation
- Political push (regulation)
- Taxation policy
- Workforce training
ありがとうございます
Thank you!

Philippe.Saint-Aubin@fgmm.cfdt.fr
Chairman of IndustriAll Europe  ICT Sector Committee