

IndustriALL Steering Committee Meeting on ICT Electrical & Electronics



A view from Europe

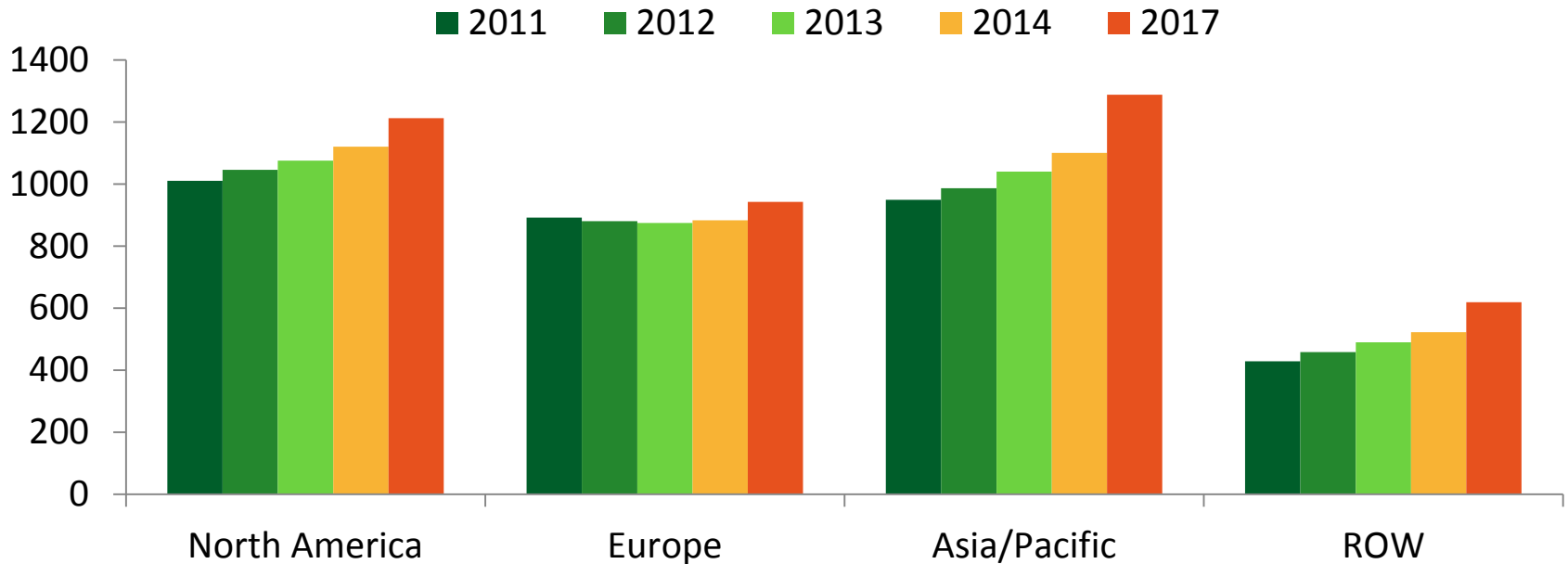
Tokyo- 06.04.2016

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

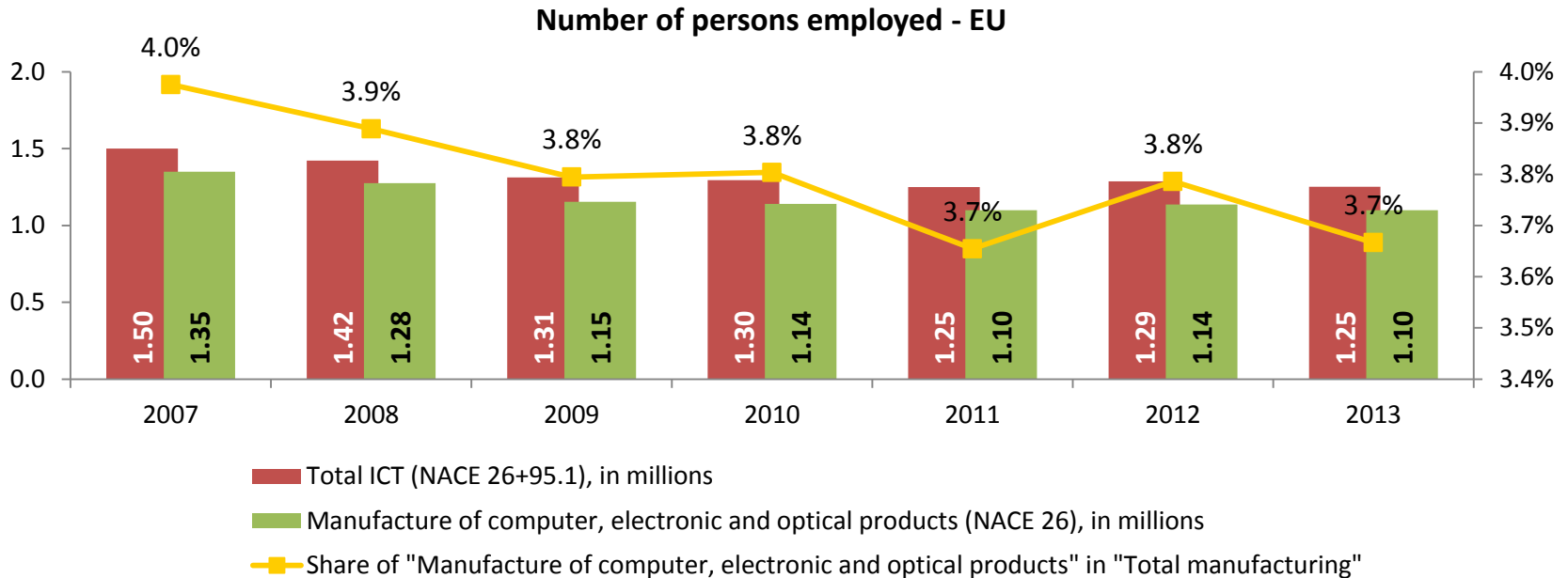


Economic zones experience differentiated growth dynamics



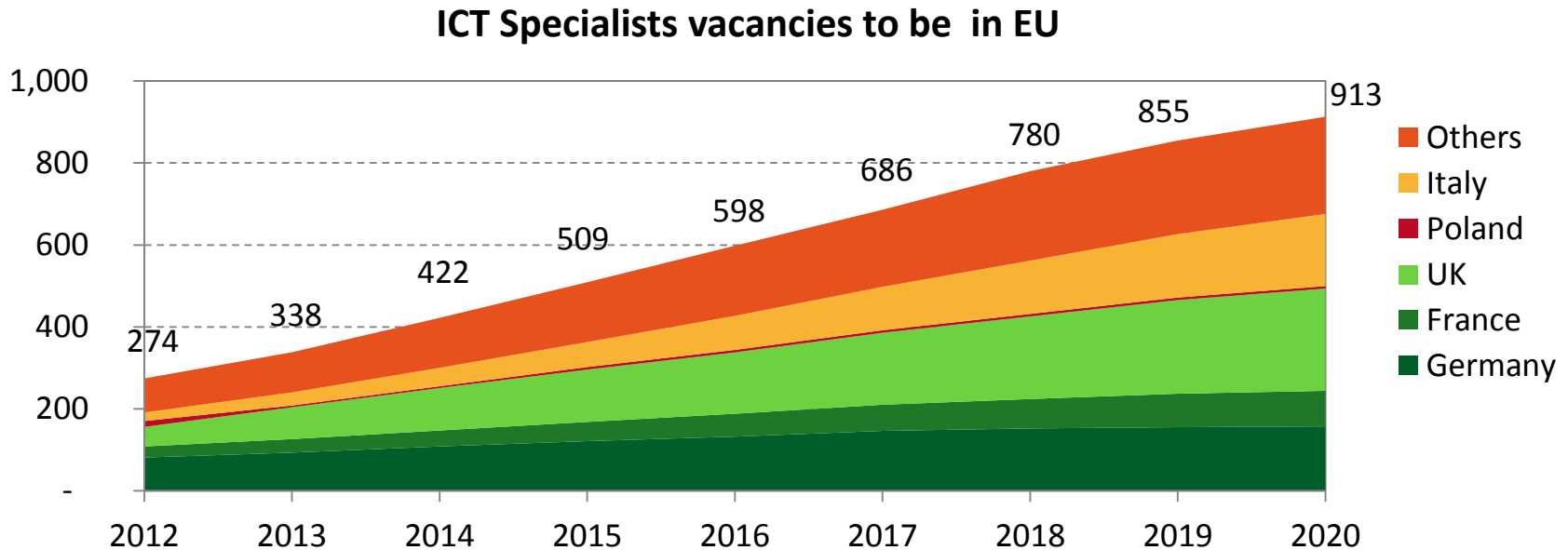
- Opposition between the European trend... and the growth experienced by the USA and Asia.
- Since 2011, the EU weight in the global market has been shrinking by almost 3 %, and 5 % for the Consumer electronics sub-sector.

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 borders
 - 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*

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**
- **Berlin, London, Paris, Stockholm: new innovation hubs**

ICT SWOT: *THREATS*

THREATS

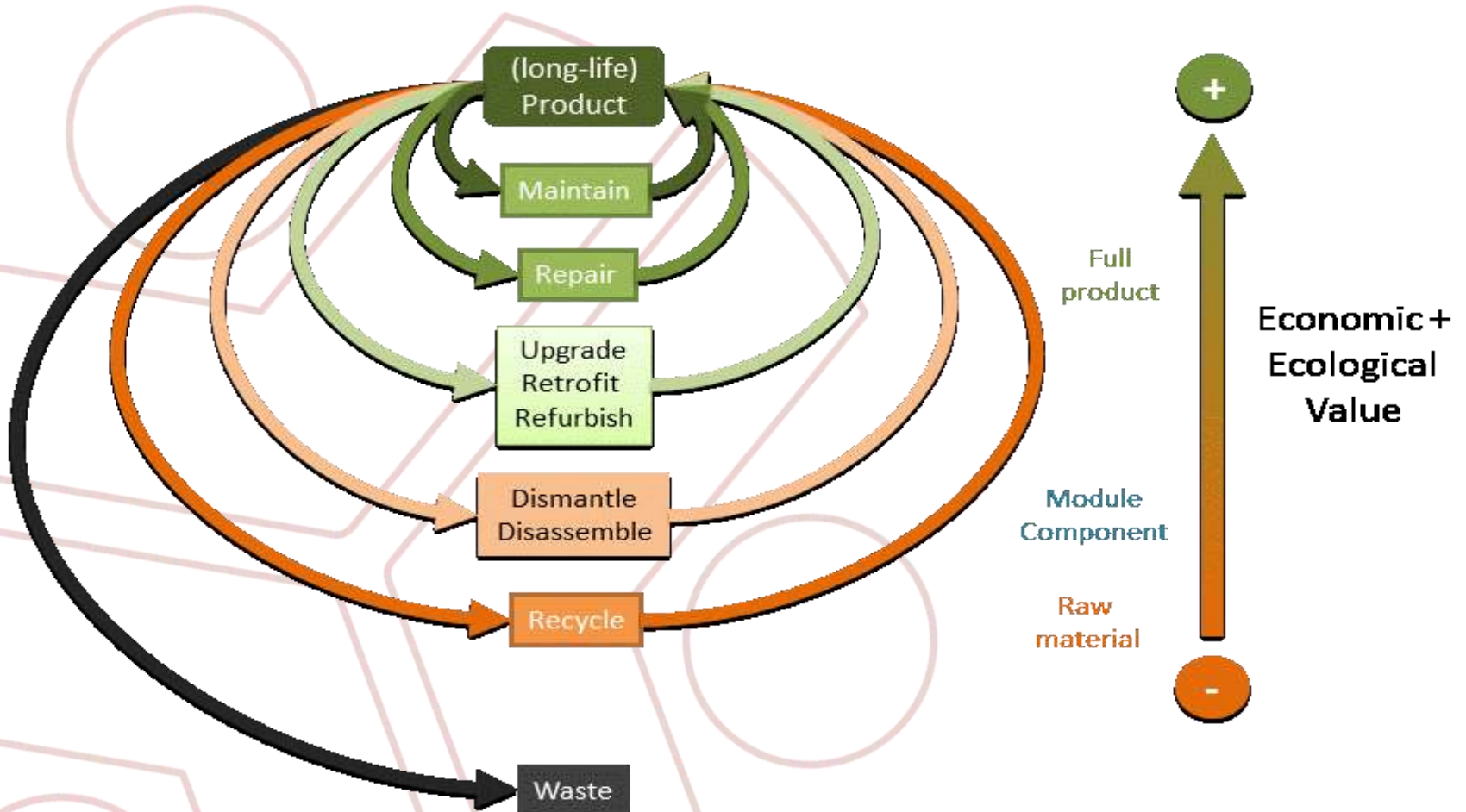
- US (innovation + industrial policy)
- Asia (growth + costs + innovation + industrial policy)
- M&A involving big European actors is a threat for most sectors
- Concerns about the future of large European groups (ST Microelectronics, Nexans...)
- GAFA moving along the value chain (Google/Fiber roll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

Might the tide turn?

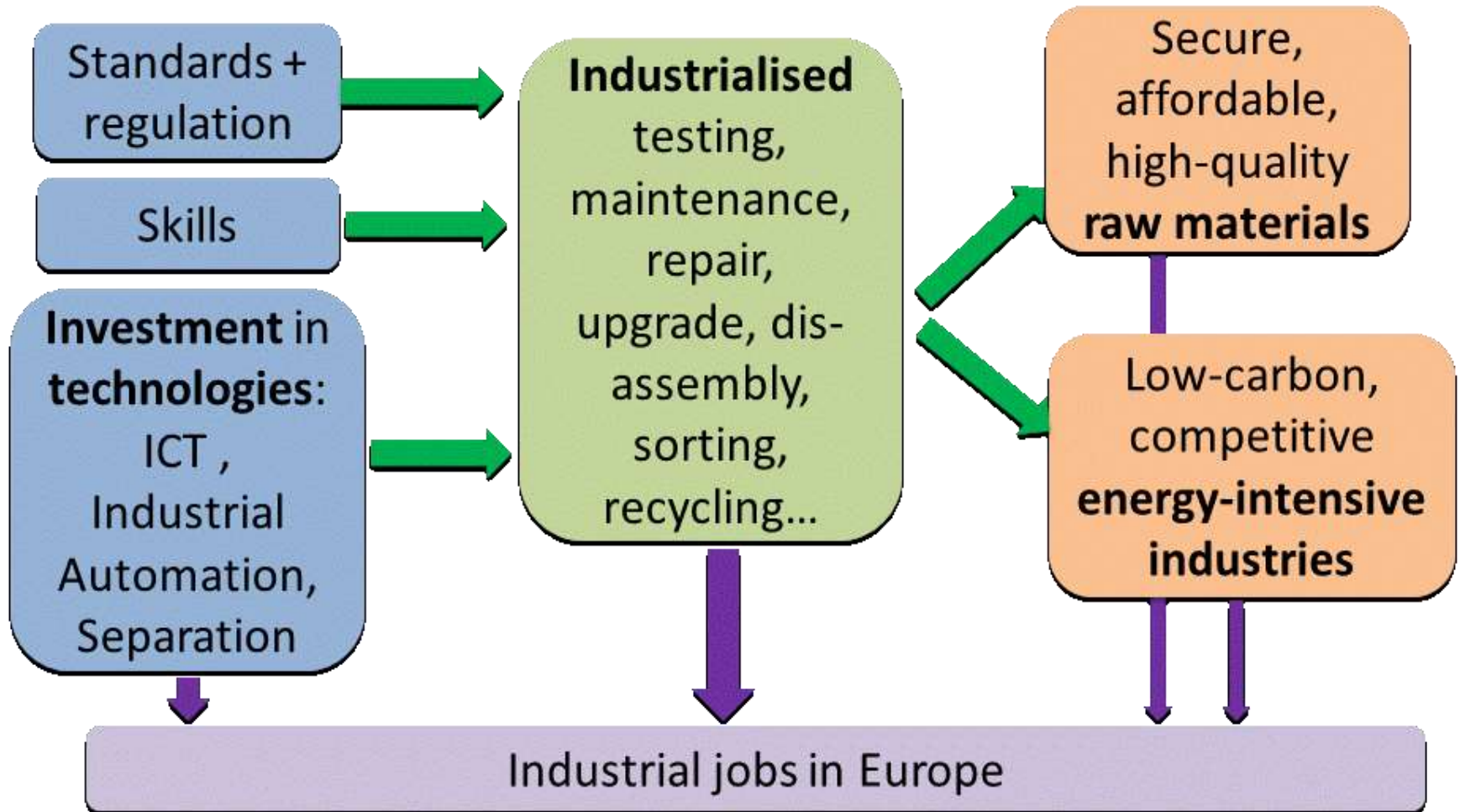


- Some locations can be found in Europe with a promising density of innovation and start-ups
- Internet of Things might be a chance for Europe to bounce back.
- Industry 4.0 could also lead to a new dynamic, but with jobs at risk
- **Circular economy: an ambition for trade unions in Europe**
 - ▶ A must 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



An industrialised Circular Economy to boost 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
Thank you!

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