

Automotive Sweden/Innovatum

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Vill vi ha ett starkt fordonskluster?



- Vad har vi lärt av krisen
- Vad måste vi göra för att utveckla ett starkare fordonsindustriellt kluster



Fordonstillverkare



- Utländska ägare
- Exportandel: 85 – 95 %
- Fordonen utvecklas lokalt från koncept till färdig bil

Svensk leverantörsindustri



- Drygt 1000 leverantörer
- Total omsättning 2008 **154 miljarder**
- Sysselsätter mer än **72 000** personer i **Sverige**
- Stor geografisk spridning
- 10 % av företagen – 75 % av omsättningen
- Export: 22 % av omsättningen
- Internationell närvaro
- Soliditeten > 30%
- Vinstmarginalen netto 5,9 %
- Slutsats: Det var en finansiellt rätt stark leverantörsindustri som gick in i krisen 2009



Viktigt att förstå strukturen



- Branschsamtalet
- Viktigt att förstå nyckeltalen



Den globala leverantörsindustrin



75 %

Av förädlingen i ett fordon kommer från leverantörsindustrin

50 %

Av alla investeringar i forskning och utveckling görs hos leverantörsindustrin

60 %

Av all ny teknik kommer från leverantörsindustrin





50 %

Av omsättningen går till svenska fordonstillverkare, direkt eller indirekt

20 %

Av omsättningen går till utländska fordonstillverkare eller leverantörer

30 %

Av omsättningen går till övrig industri

20 %

Leverantörernas marknadsandelar hos de svenska fordonstillverkarna



Viktigt att förstå strukturen



- Branschsamtalet
- Viktiga nyckeltal
- Om man varslar 1 person hos OEM, borde det bli 1 – 2 hos leverantörerna



De "svenska" fordonstillverkarna



50 %

Av Volvos och Saabs produktion
sker utomlands

11 %

Av AB Volvos och Scantias
totala produktion sker utomlands

90 %

Exporteras



Viktigt att förstå strukturen



- Branschsamtalet
- Viktiga nyckeltal
- Om man varslar 1 person hos OEM, borde det bli 1 – 2 hos leverantörerna
- Svensk fordonsindustri gör mycket större avtryck utomlands än i Sverige
- Googla gärna på Automotive Clusters – rätt lite om Sverige
- När vi säger att vi är ledande – gör det bara om vi citerar någon internationell undersökning
- Broschyren



Nationalismen vaknar

- Stödpaket över hela Europa
- Finansiering
- Villkorade lån
- System för permitteringslön



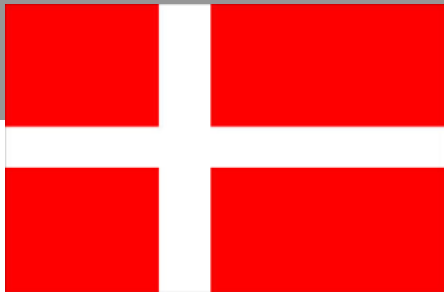


- Government support focused on the banking and finance sector
 - Investment of 19,9 bn EUR into Belgian banks and possible state guarantees for banks
- Aim to strengthen socio-economic levers and environmental investments
- Focus on competitiveness of companies, employment and a good social climate
- Aim to guarantee strong public finances



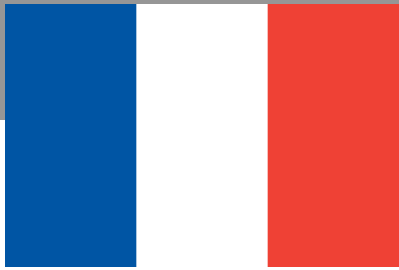
- Aim to provide additional loans to Flemish companies
 - 300m EUR set aside for State Guarantees
 - Increase in the amount guaranteed: “Easy Credit” (quick application procedure) rises from 500.000 EUR to 750.000 EUR
- Restructuring of the employment sector
- Increase strength and rapidity of public and private investment





- A Government guarantee for deposits and interbank loans
- Proposed aid package to Danish companies worth 61.4 billion kroner (\$10.4 billion) to help them in financial crisis
- Companies are allowed to immediately postpone payments of VAT and payroll taxes for 6 months, aimed at allowing companies to shore up their liquidity in the short term and stimulate the economy
- A second rescue package of loans for banks and mortgage lenders aimed at preventing a deepening of the credit crunch is worth 100 billion kroner (\$17 billion)
- No specific measures for the Automotive Industry





France has announced 400m € government support for R&D over a four-year period and 300m € for the establishment of an investment fund for restructuring in the automotive sector (including a 100m € contribution by the main vehicle manufacturers).

The plan also includes a 1bn € re-financing facility for automotive finance companies and a 1,000 € incentive for scrapping a vehicle older than 10 years old (provided they are replaced by new passenger cars emitting 160g/km of CO₂ or less)





1) Enhancement of the already adopted financing instruments for SMEs

- State owned KfW, which already commands a 20bn Euro facility to overcome a possible credit crunch will be made more flexible with improved regulations for circulating capital credits
- Current volume of 15bn Euros will be broadened to a 100bn Euro guarantee Program
- In analogy to the SME facility, a credit program for bigger companies will be established
- Domestic credit guarantee instruments will be broadened and new instruments will be evaluated (regarding credit insurances and leasing companies)

2) Environmental premium

- Premium of 2,500 Euros for Scrapping of a at least 9 yrs old passenger car
- Purchase of a new car or car less than 12 months old and at least EURO 4
- Duration: 31. December 2009





3) Adjustment of annual circulation tax for passenger cars on basis of CO2 emissions

- Adjustment “as quickly as possible”, preferable for 1 July 2009
- Linear tariff 2 Euros/ g/ km
- Allowance for 120g in 2010/11, 100g in 2012/13, 95g after that
- Base rate as a minimum taxation (precise figures in discussion)
- Gentle inclusion of existing car park starting with 2013

4) Additional R&D funding

- Additional 500m Euros for alternative power-train solution research -2009/2010
- Coordination with EIB program

5) Safeguarding employment

- Reduced hours instead of job cuts
- Social insurance contributions of employer will be reimbursed by Federal
- Employment Office
- Easier application and quicker procedures





Package of anti-crisis measures should include:

- Renewal of the car park, through incentives adequately studied for this economic crisis in order to replace those vehicles aged 10 or more, by “green” and safer vehicles (Cars, Light Commercial Vehicles, Motor Caravans and Trailers), and incentives to purchase new green and less polluting cars (with lower levels of CO2 and alternative fuels, like methane, LPG, electric engine)
- Sustain to consumer credit, through incentives to purchase by installments (for individuals) and creation of a guarantee fund for the components sector on insolvency risk
- Re-introduction of those measures granting the advance depreciation of instrumental goods (from 5 to 3 years) and the de-taxation of the re-invested income (“Tremonti” Law-ter).
- Incentives to replace Medium & Heavy Commercial Vehicles by EURO 5 and EEV vehicles

For the Components sector, other items:

- Creation of a fund to guarantee the credit access
- Fund for sustaining Investments in R&D
- Opportunities for the components sector’s renewal, with regard to safety and environment protection





- **Stimulus to employment and improvement of the professional qualifications**
 - Implementation of the "Qualification-Employment Programme for the Automotive Sector", aiming to cover about 10.000 employees, with a total volume of 70m € (February 2009)
- **Support to financial difficulties**
 - To launch a specific loan, in the amount of 200m €, to the automotive sector exporting companies
 - To implement a new model of access to credit insurance
 - To accelerate the payment of the incentives related to the approved PRIME and QREN Projects
- **Adjustments to the industrial and technological profile of the sector**
 - To support projects aiming at the improvement of production processes efficiency
 - To support the adjustments to new specialization profiles regarding vehicles and low emissions technologies
 - To launch a mechanism of common financing to merger / acquisition operations
- **Selective Incentive to Demand**
 - To give incentives, in a selective way, to the ELV replacement
 - To give incentives, in a selective way, to the acquisition and operation of Zero emission vehicles





Actions in the Automotive Industry to be financed with the revitalization fund

- 110m € allocated to training, engineering and development programmes, while 690m € will go to new projects and production processes.
The Plan will finance complete business action plans for which beneficiary companies will have to propose general, coherent plans for improving competitiveness in the following functional areas, vital to help the development of the industry:
 - The creation of products or services with greater added value that improve their sustainability and/or safety.
 - Promoting the production of sustainable vehicles (hybrids and electric vehicles).
 - Implementing advanced organisation systems, especially those aimed at establishing stable collaboration throughout the value chain for a product or service.
 - Training: specifically aimed at improving the training of technical staff at companies in areas linked directly to specific action plan aims and, in particular, that aimed at new technologies related to sustainability.





Actions in the Automotive Industry to be financed with the revitalization fund

- Improving supply and distribution logistics with the establishment of advanced logistics management systems, the incorporation of information and communication technologies into logistics operations at companies and the optimization of supply and distribution chains.
- Increased sustainability, flexibility and/or production process efficiency.
- Anticipating new legislative environments for production, especially those that improve conditions relating to emissions and energy efficiency.



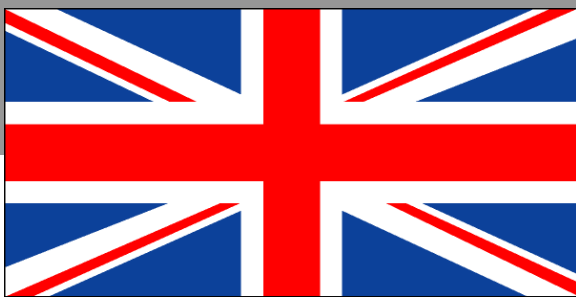


- Short-time
 - Application possible from 1. December 2008 till 1. March 2009)
 - 6 weeks, 3 times extension possible (max. 24 weeks)
 - 20.000 employees (38 hrs. = 760.000 hrs. per week)
- Precondition
 - 30 % Turnoverreduction over a period of 2 x 2 months compared to the year before
 - Training during shorttime
- 422 Companies granted (many automotive suppliers and OEM's like DAF Trucks and NedCar)
- 134 Companies denied
- 27 Companies extended for a second period of 6 weeks



- Early or random depreciation in two years for new investments done in 2009
- Risk aversion by financial institutions
 - Growth facility max. guarantee € 1,5 billion
- Mobility centres
 - Flexible workers
 - Posting workers
 - Counselling workers
- Extension of the WBSO regulation (Tax reduction on R&D spending)
- Extension of the Growth Facility (to facilitate fast growing companies to keep investing)
- Possibility for (exporting) companies to keep insuring debt risks both national and international when the market rejects certain risks
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Enterprise Finance Guarantee (EFG)

- A guarantee facility worth £1.3 billion for small businesses intended primarily to improve the availability of working capital through term loans and the consolidation of overdrafts. It will also support lending for business growth and development in cases where a sound proposition may otherwise be declined due to a lack of security.

Working Capital Scheme (WCS)

- Government guarantees of up to £10 billion which will support bank lending of up to £20 billion. Facility should release capital for banks to re-deploy in order to increase all types of lending above their current plans to businesses with a turnover of less than £500m.

Capital for Enterprise Fund

- A £75 million Capital for Enterprise Fund with £50 million of Government funding, allowing companies to fund business development by selling debt in exchange for an equity stake in their business.

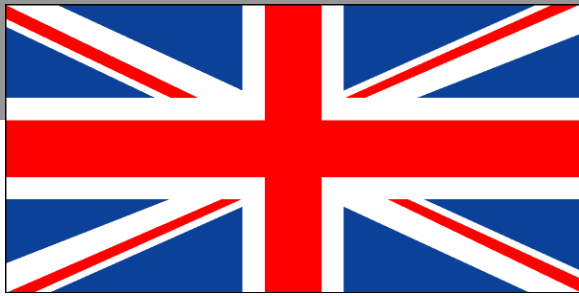
Technology Strategy Board – Low Carbon Vehicles Innovation Platform Integrated Delivery Programme (IDP)

- Research & development funding on low carbon vehicles.
- IDP - new £200 million investment programme, jointly funded by Govt. and business.

Additional apprenticeship places

- £140 million of additional investment for apprenticeship places
- 35.000 new apprenticeships are expected to be created





Train to Gain

£65 million of funding for training agreed between Government and Semta

LCVIP Ultra Low Carbon Vehicle Demonstrator

Aims to see up to 100 new innovative cars on the road in locations around the UK by the end of 2009. The demonstration competition has up to £10m of funding

Ultra-Efficient Systems for the Market Advancement of Electric and Hybrid Vehicles

Up to £10 million has been allocated to fund highly innovative collaborative research projects in the field of ultra-efficient electrical systems for electric and hybrid vehicles





- Regeringens paket
 - Statligt bolag för produktutveckling: 3 miljarder kronor.
 - Statliga garantier vid lån från European Investment Bank (EIB): 20 miljarder
 - Undsättningslån: 5 miljarder
 - Utökad kapacitet hos ALMI



Vad blev effekten av krisen?



23 700

Varslade/uppsagda i leverantörs-
industrin sedan i oktober 2008

21

Konkurser

8

Rekonstruktioner

4

Företag flyttar ur landet



Inför framtiden



- Ta ställning till vilken typ av automotive cluster behöver vi här och arbeta mot detta mål – gäller alla
- Inse att länder konkurrerar med varandra
- Klargör vilka som är konkurrensfaktorerna
- Se till att svenska företag har samma förutsättningar som företagen man konkurrerar med.
- Allt detta kräver
 - forskning och utveckling
 - utbildning och fortsatt kompetensutveckling, som vi måste ha råd med
 - flexibel arbetsmarknad
 - men det kräver också att effekten på klustret tas med i olika typer av beslut – investeringar, inköp, F&U-satsningar, uppbyggnad av ny teknik



Tack!

