

## Press Release

# The Future of Automotive Jobs: Total Employment Can Remain Constant up to 2030, Despite Major Shifts

**Active retraining and retooling will be the keys to a successful transformation up to 2030, a new study by Agora Verkehrswende and BCG finds**

Berlin, 1 July 2021 – Significant shifts in the working world are anticipated to occur over this decade as Germany moves closer to net zero. Yet according to a new study presented by Agora Verkehrswende and Boston Consulting Group (BCG), the number of jobs dependent on Germany's automotive and adjacent industries could remain stable up to 2030, despite the massive structural change entailed by the rise of electric vehicles.

The study expects employment to increase significantly among automobile manufacturers and parts suppliers who are not reliant on traditional powertrains. Higher labour demand is also anticipated in energy infrastructure and production, and, to a lesser extent, in the subsector of mechanical and plant engineering (+205,000 jobs in total). By contrast, significant employment losses will occur up to 2030 among conventional-vehicle manufacturers, suppliers, and service providers (-180,000 jobs in total). The study assumes that market uptake for electric vehicles will allow Germany to reach its 2030 emissions target for the transport sector on the road to climate neutrality by 2045.

"German policymakers can ensure stable employment in the automotive sector and related industries up to 2030, but this will require a firm commitment to the big picture," says Christian Hochfeld, Director of Agora Verkehrswende. "Significantly greater reliance on electric vehicles is the only valid scenario for the passenger car in 2030. On the foundation of effective climate policy, Germany also has an opportunity to reinvent itself as a technological leader and epicentre of vehicle manufacturing, which will create jobs while enhancing the competitiveness of industry. To be sure, fewer jobs will be required in conventional automotive manufacturing, but if policymakers seek to avert rather than embrace this change, the cost of transition will be higher in the end, not only in terms of jobs, but also in terms of market share lost by German companies."

Kristian Kuhlmann, Managing Director & Partner at BCG, observes: "The automotive work environment will undergo fundamental change in the coming decade, creating major challenges for conventional vehicle manufacturers and parts suppliers. There is a tremendous need to retrain and upskill workers, in order to tap the opportunities presented by this change."

### Press contact:

Agora Verkehrswende: Dr. Philipp Prein | Head of Communications

E: philipp.prein@agora-verkehrswende.de | M: +49 151 15 97 99 76

Boston Consulting Group (BCG): Veronika Seifried | Media Relations Coordinator

E: seifried.veronika@bcg.com | M: +49 151 6894 1434

## Forecasting the future of work

According to the study, almost half of the 1.7 million employees in the automotive sector and related industries will see their job descriptions change by 2030. Some 70,000 workers will be employed in entirely new occupations, while 200,000 workers will see their occupational profiles change significantly. An additional 500,000 employees will need to acquire new skills through training measures. "The transformation ahead won't be a walk in the park," explains Hochfeld. "Companies will need targeted support from the federal government and states in order to recruit and train skilled workers on a large scale. At the same time, the federal government must ensure a policy environment that supports Germany's growth as a lead market for electric vehicles. In particular, reliable and attractive conditions for investment are needed to ensure the growth of domestic industry – e.g. in EV batteries or software – thus creating jobs."

In addition to the technological transformation entailed by electric vehicles, the study takes into account five other trends that are anticipated to impact jobs: specifically, changes in market volume and distribution of vehicle classes; the digitalisation of vehicle fleets; productivity gains; and the offshoring of jobs to other countries. Domestically, East Germany is anticipated to see the largest job gains. In the other parts of Germany, employment levels are expected to remain constant. "Many companies have already initiated steps to usher in the transport sector of the future. These companies will need to stay committed to this change process in the coming years," Kuhlmann concludes.

In contrast to other European countries, such as Poland or Spain, which could experience a net jobs decline, Germany stands to benefit on the whole from the coming structural change, according to the study's estimations.

## More on the study

BCG and Agora Verkehrswende examined how anticipated structural change would impact traditional automotive manufacturers, suppliers, and service providers. They also considered labour demand changes in EV-related sectors, including mechanical and plant engineering, energy production, energy infrastructure, and materials recycling. The study drew on interviews with market experts as well as data from 26 impacted sectors in Germany and Europe as a whole.

The English version of the study (*Changing automotive work environment: Job effects in Germany until 2030*) is available for free download at <https://www.agora-verkehrswende.de/en/publications/> and at [www.bcg.de](http://www.bcg.de).

### Press contact:

Agora Verkehrswende: Dr. Philipp Prein | Head of Communications

E: philipp.prein@agora-verkehrswende.de | M: +49 151 15 97 99 76

Boston Consulting Group (BCG): Veronika Seifried | Media Relations Coordinator

E: seifried.veronika@bcg.com | M: +49 151 6894 1434

### **About Agora Verkehrswende**

Agora Verkehrswende is a joint initiative of the Mercator Foundation and the European Climate Foundation. The aim of the think tank is to develop evidence-based and politically viable strategies for the full decarbonisation of the transport sector.

More information: [www.agora-verkehrswende.de/en](http://www.agora-verkehrswende.de/en)

### **About BCG**

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#### **Press contact:**

Agora Verkehrswende: Dr. Philipp Prein | Head of Communications

E: [philipp.prein@agora-verkehrswende.de](mailto:philipp.prein@agora-verkehrswende.de) | M: +49 151 15 97 99 76

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E: [seifried.veronika@bcg.com](mailto:seifried.veronika@bcg.com) | M: +49 151 6894 1434