

About the Strategic Dialogue for the Automotive Sector in Baden-Württemberg

Ever since the invention of the automobile, Baden-Württemberg has been considerably influenced by the industry and vice-versa: today, the automotive cluster Baden-Württemberg provides jobs for almost 500,000 people, which represents 11% of all employees subject to social insurance contributions in Baden-Württemberg. Major OEMs and global suppliers have their headquarters here and many highly specialised SMEs offer a plethora of products and services for the automotive industry. In total, Baden-Württemberg is home to more than 1,000 suppliers in the automotive sector which operates in a thriving eco-system where innovative enterprises are complemented by an outstanding research infrastructure and an excellent higher education landscape.

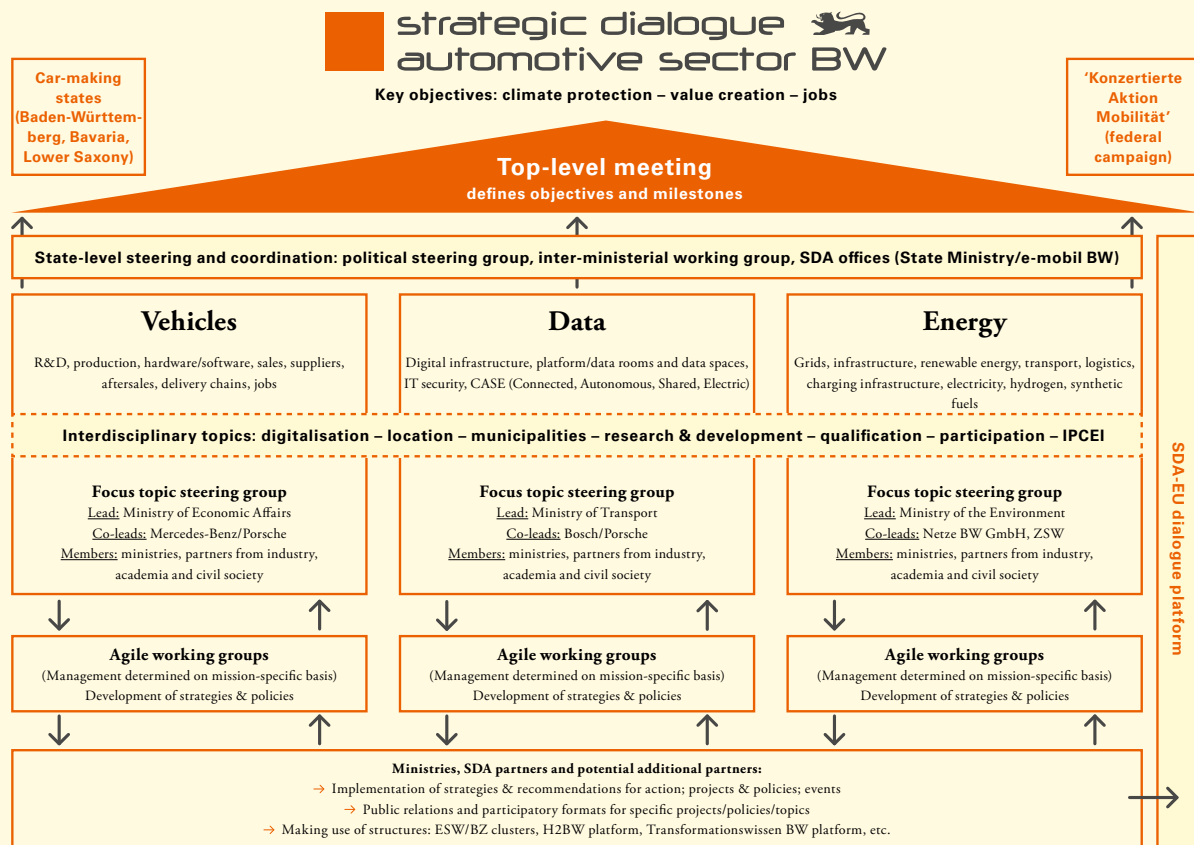
Climate goals, the move away from fossil fuels as well as digitalisation pose the biggest challenges in the history of the automotive sector in Baden-Württemberg. The response of the Baden-Württemberg State Government in 2017 was to launch the Strategic Dialogue for the Automotive Sector in Baden-Württemberg (SDA), aimed at providing support and guidance in relation to this vast transformation process facing one of the most important branches of industry in the state. The objective of the SDA is to adopt a targeted approach to the changes that must be made in the mobility sector for the sake of climate protection, thereby maintaining and/or reconfiguring both value creation and jobs within the automotive sector in Baden-Württemberg. With a new format of institutionalised collaboration, the SDA follows a comprehensive approach across industries, ministries and different levels of administration while also including the voices of academia, research and civil society organisations. During the first half of what will be at least a seven-year process, numerous projects and policies have been defined, initiated and implemented. The second half of the SDA is designed to be a visibility and ramp-up phase, meaning that the topic of scaling assumes a decisive role. In order to ensure international competitiveness into the future, the SDA is in the process of adopting a targeted approach to the significant upheaval caused by increasing digitalisation – which is set to spur rapid change in vehicles, production and mobility in general.

Since 2021/2022: strategy realignment

At the 2020 interim conference held to discuss the progress of the strategic dialogue, the following three focus topics were defined as part of the ‘roadmap to successful transformation’ moving forward:

1. Promoting electrification – scaling of SDA projects
2. Furthering digitalisation as a core aspect of innovation
3. Supporting and guiding the transformation process

These focus topics provided the basis for an overhaul of the SDA, involving a move to a new format that is even more interministerial and agile than before. Since the challenges over the coming years will have to be tackled by numerous ministries simultaneously, there is a need for enhanced collaboration. Since 2021/2022 the new structure supports these efforts and places greater emphasis on the focus topics of the SDA.



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Figure 1: New structure and working method of the Strategic Dialogue for the Automotive Sector in Baden-Württemberg

New focus topics and key questions:

Focus topic: vehicles

The new focus topic of 'vehicles' addresses the transformation of vehicle and component production, the fields of sales and aftersales, and the employees who work in these areas. Key issues include the future value-creation potential offered by increasing electrification and digitalisation, as well as the many SMEs in the supplier area who will require support during the transformation process.

The questions relating to this focus topic are as follows:

- How can value creation in the field of software be further expanded and safeguarded? Software development and dedicated hardware development for future-proof products and technologies.
- Which future fields in the automotive sector can be occupied by our suppliers/SMEs? Where might they have new opportunities/business models by 2030/2040/2050?

- How can delivery chains be made more resilient?
- How can the demand for specialist personnel be reliably met in 2030/2050? How can employees become qualified for new areas of activity?
- What guidance can be provided to companies whose future is uncertain – and to their employees?
- How might new future-proof business models be developed?

Focus topic: data

The focus topic of ‘data’ primarily incorporates activities from the previous areas of ‘traffic solutions’ (including regulation, cooperation and data) and ‘digitalisation’. Both digitalisation and the necessary expansion of corresponding infrastructure are of major importance for the future of Baden-Württemberg as an industrial location. Through its ‘Datenagenda BW’ programme, the state aims to make better use of the innovation potential that data offers for industry, academia and society alike. This requires additional progress to be made in fields such as ‘automated and connected driving’ and ‘digital traffic management’ so as to boost climate-friendly mobility. Efforts to establish common mobility data rooms and mobility data spaces must also be stepped up. With respect to research, development and innovative business models in the area of mobility, the state-run mobility data platform MobiData BW represents a valuable resource covering the various modes of transport. In collaboration with the automotive sector, this data pool can be expanded and a number of economically sustainable use cases developed in which data on traffic events, parking infrastructure and sharing services is linked in new ways.

The issues relating to this focus topic are as follows:

- Strategic planning of digital infrastructure for mobility by 2030
- Automated and connected driving
- Jointly promoting and using data platforms (e.g. MobiData BW, Mobility Data Space)

Focus topic: energy

The focus topic of ‘energy’ encompasses issues from the previous areas of ‘energy’ (grids, hydrogen) and ‘traffic solutions’ (including synthetic fuels and the expansion of charging infrastructure). The ongoing expansion of grids and the availability of green energy are intrinsically linked to the scaling of charging infrastructure and the further development of alternative drive systems such as hydrogen/fuel cell or synthetic fuels. All future activities within the focus topic of ‘energy’ must therefore consider and deal with these issues in a holistic manner.

The issues relating to this focus topic are as follows:

- Strategic planning and investment for expansion of grids and charging infrastructure (including commercial vehicles)
- Strategic planning, milestones and target figures for H2 expansion and the development of renewable synthetic fuels (reFuels initiative)

Interdisciplinary topics

The topic of **digitalisation** is set to play a considerable and indeed central role in the new structure as it is relevant to almost all transformation-related issues: vehicles will evolve into “smartphones on wheels”, while production will change in the face of AI and increasing technologisation. Furthermore, the exchange and networking of data in common data rooms/data spaces and the increasing levels of automation will turn mobility into something quite unlike what it is today. Making data easier to use is therefore important for ensuring the future competitiveness of Baden-Württemberg as a location. Efforts to move from a haphazard data infrastructure to a future-proof and consciously crafted data architecture are motivated primarily by the goals of disclosure and linkage, meaning that data from traffic infrastructure and from business operations (such as public transport) are not only used for traffic management by public providers but can also be put to greater use for private business models. The aim must be to balance data protection and data sovereignty on the one hand and the potential of open data on the other. In future, the interdisciplinary topic of digitalisation is to be given due consideration and suitably addressed in relation to each focus topic. It must therefore be ensured that the Ministry of the Interior, Digitalisation and Local Government is closely involved in all focus topic steering groups.

Academia will assume an important research and development role for new innovations. For this reason, the interdisciplinary topic of ‘research and development’ should influence all focus topics through the expertise pooled in the previous area of ‘research and innovation environment’ and through the integration of the Ministry of Science. Experts from academia and research should also be incorporated into the agile working groups on a mission-specific basis.

The topics of **education and qualification** retain their relevance in the restructured SDA as they are also highly important for the transformation of the automotive sector. The state-run campaign WEITER.MIT.BILDUNG@BW for further education and training is to be incorporated into the new structure so as to link all three focus topics (with regard to vocational and academic education and training in particular).

Civic participation shall stay a cornerstone of the SDA and will be taken into account accordingly by the three focus topic steering groups. In the new structure, the participation of citizens should be focused more strongly on the projects and policies of the SDA. The objective remains that of incorporating Baden-Württemberg citizens into change processes via suitable formats that also account for their potential role as employees in the automotive sector or as users. In this way, the work once undertaken within the previous topic of ‘society & mobility’ will be continued – and the close involvement of the State Councillor for Civil Society & Civic Participation in all three focus topic steering groups is essential for this purpose.

Last, but not least: close interaction on a **European level** is growing in importance as the foundation for the framework conditions that will ensure a successful transition. Baden-Württemberg is therefore an active member of organisations such as the Automotive Regions Alliance and the Automotive Intergroup of the European Committee of the Regions (CoR). The ‘Brussels debates on the Strategic Dialogue for the Automotive Sector in Baden-Württemberg’ have also featured various event formats at the Representation of the State of Baden-Württemberg to the European Union since the start of 2022, enabling the discussion of relevant issues with European decision-makers.