

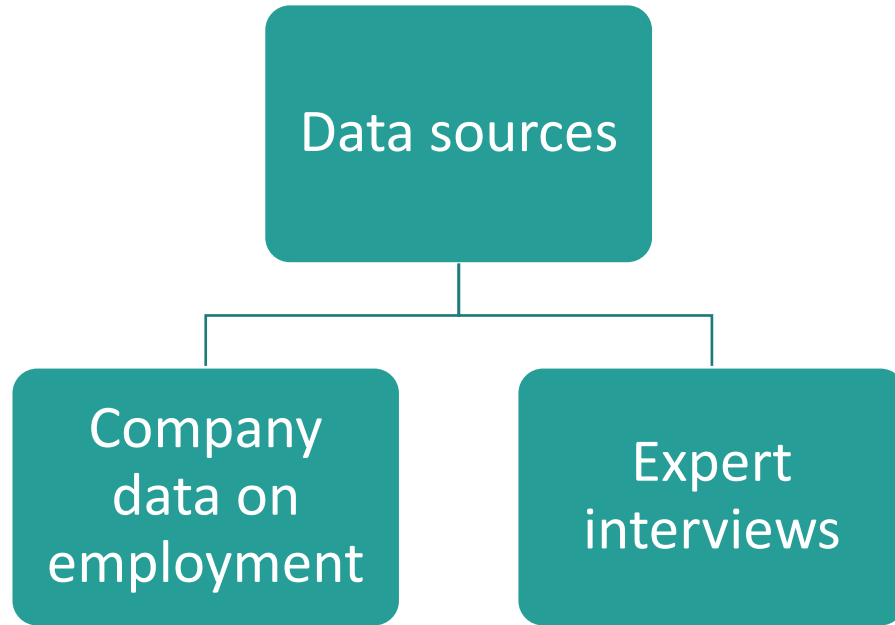


ETUI WORKSHOP

**THE FRENCH AUTOMOBILE INDUSTRY BETWEEN
DISRUPTION AND RENEWAL**

21 APRIL 2022

METHODOLOGY



Automotive sector

Powertrain industry



OEM
OES
Subcontractors

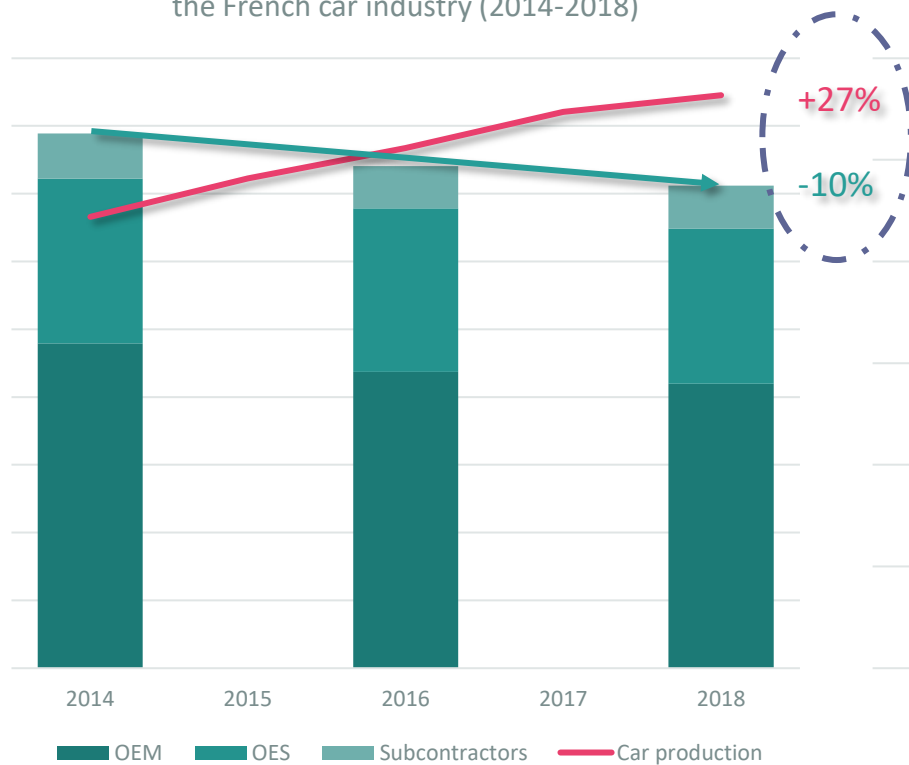
- **136 sites** in the powertrain industry
- **70 000 employees** (2018) in production, R&D and services



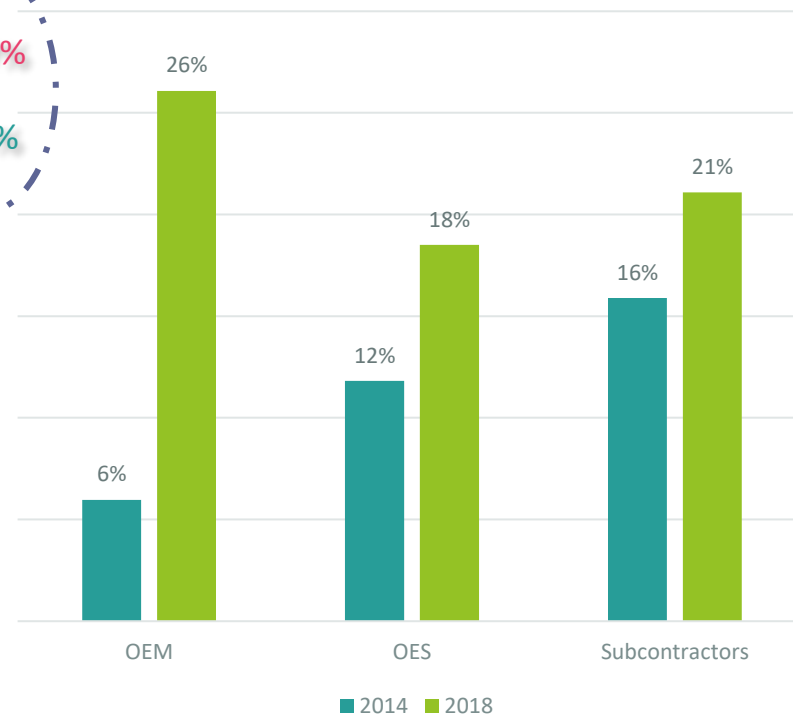
THE LONG-TERM EMPLOYMENT TREND IN THE FRENCH AUTOMOTIVE INDUSTRY: REDUCTION AND FLEXIBILIZATION

+27% in car* production from 2014 to 2018 vs. -10% in permanent employment
 Spike in agency employment, especially at OEM

Car* production and permanent employment in the French car industry (2014-2018)



Proportion of agency workers in the French car industry (2014 and 2018)



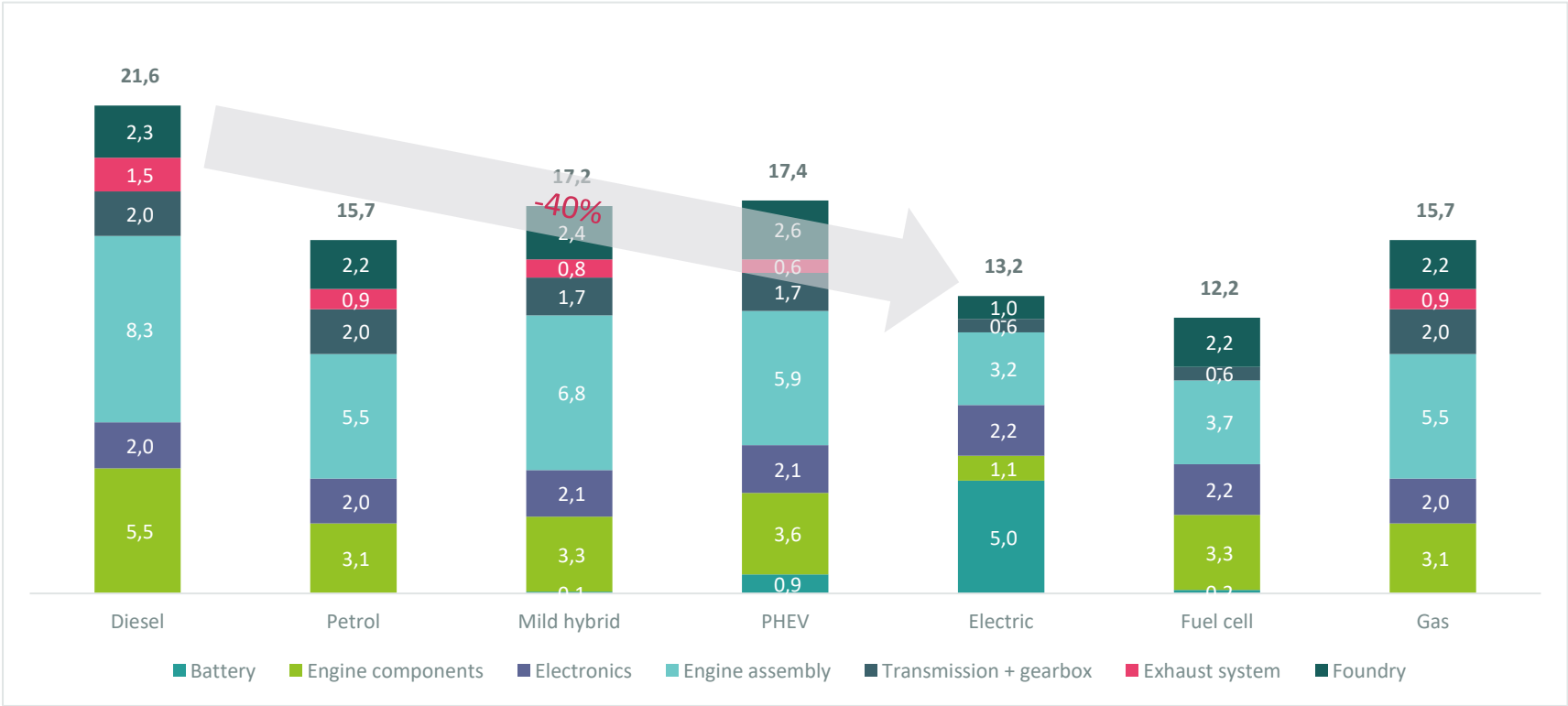
* Passenger cars + vans + trucks

Source: Syndex database, car production data from ACEA

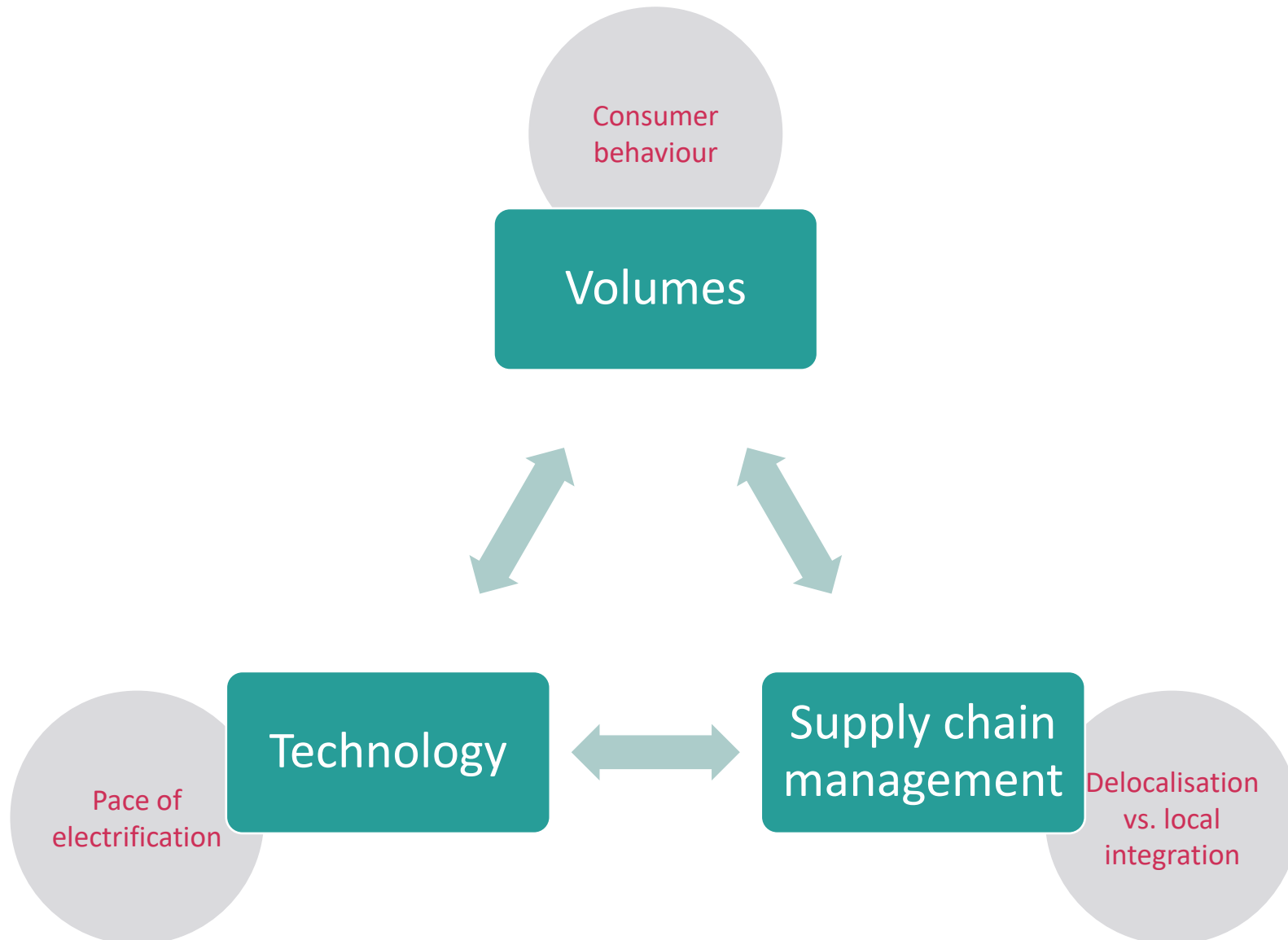


ELECTRIFICATION IS AN ACCELERATOR FOR JOB REDUCTION

We estimate that the need for labour for electric cars will be ~40% lower than for current diesel engines. New employment opportunities in batteries and electronics, all other activities will decrease

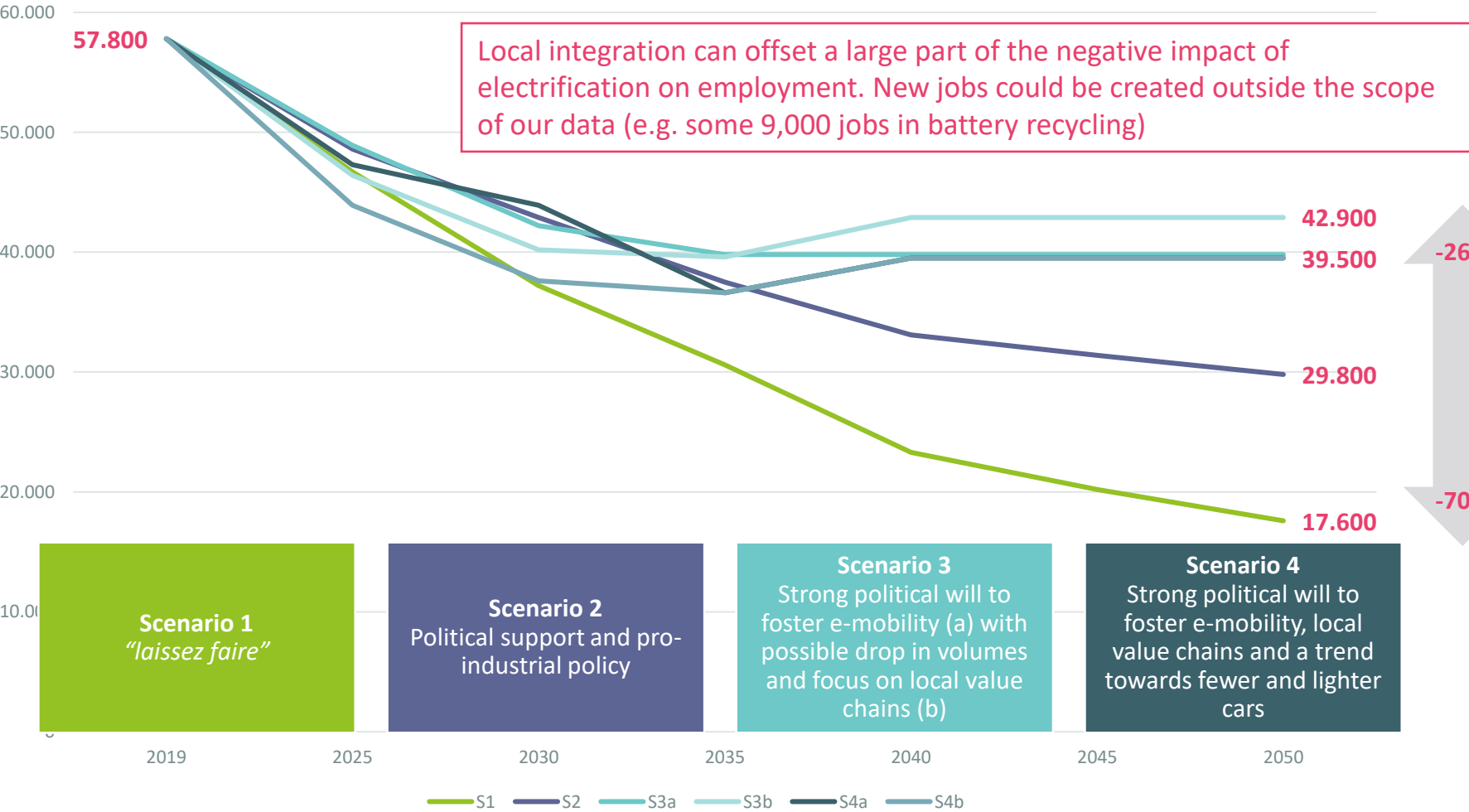


THREE DECISIVE SETS OF FACTORS



EMPLOYMENT IMPACTS VARY SIGNIFICANTLY ACCORDING TO THE DIFFERENT SCENARIOS

Employment developments according to the different scenarios

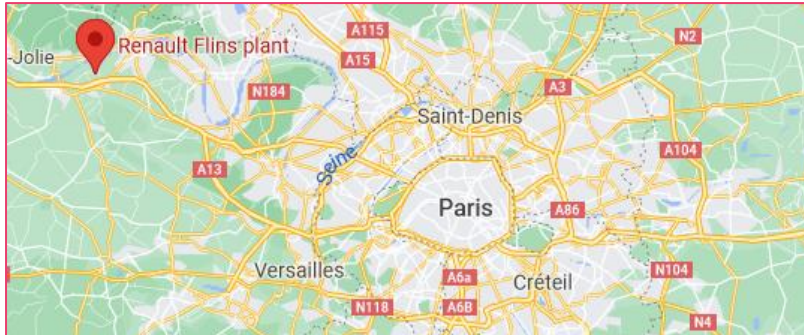


CASE STUDY

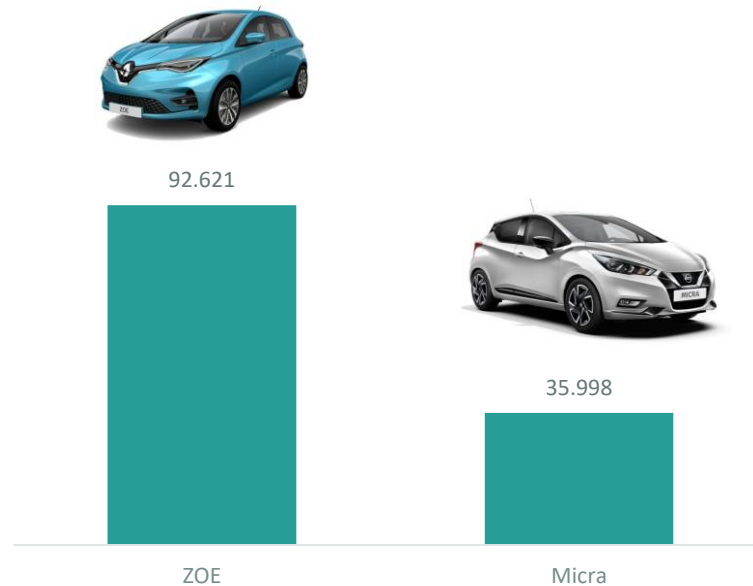
The Renault Flins plant

THE FLINS PLANT TODAY

- # Established in 1952
- # Flins is located in the north-west of Paris
- # Current activities include:
 - Assembly
 - Parts (metal sheets and deep drawing)
 - Remanufacturing (refurbishment)



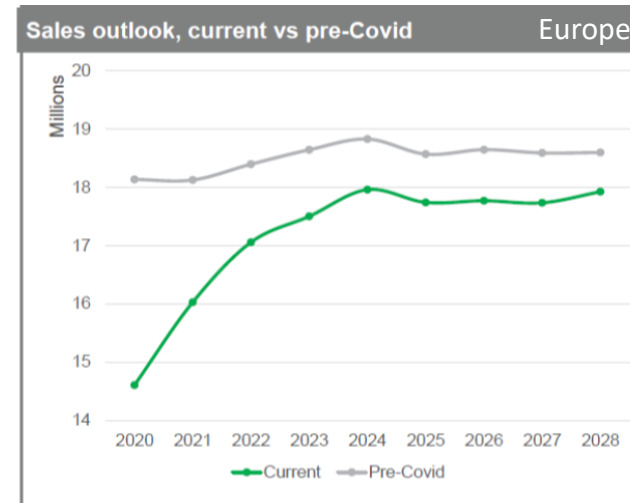
Renault Flins production volume (2020)



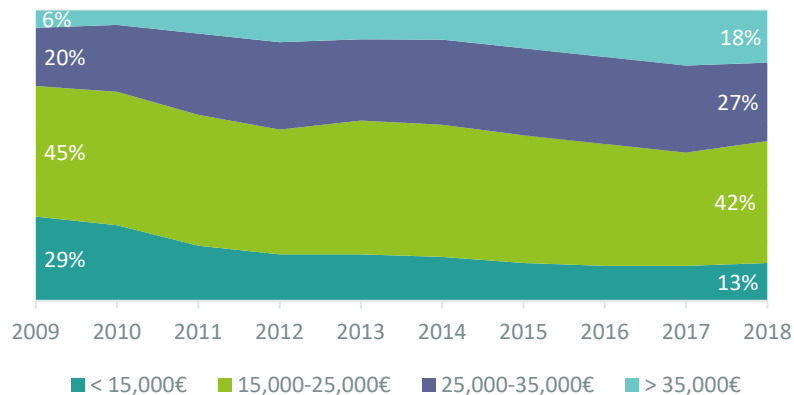
2,450 permanent employees and some 1,500 agency workers

NEGATIVE MARKET OUTLOOK FOR THE FLINS PLANT

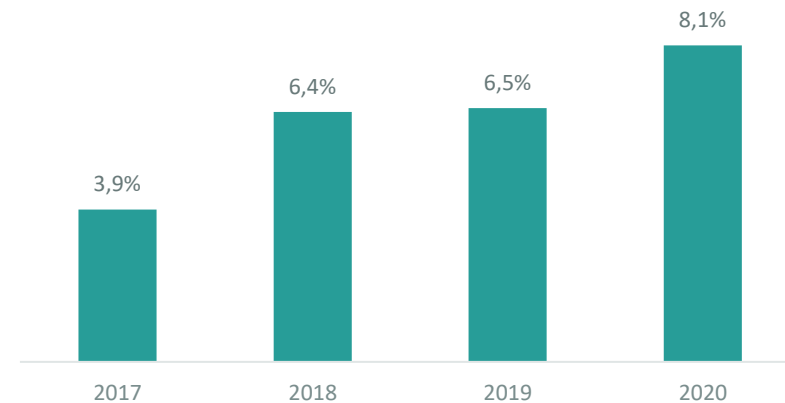
- ▶ European sales market flatlines and will not reach 2019 levels before the end of the decade
- ▶ The average price for cars increases, demand for segments A/B drops
- ▶ Although the number of electric vehicles rises, predictions show a high proportion of ICE powertrain in production and sales
- ▶ At the same time, the prices for spare parts record a spike in recent years.



Car sales in France by price segment (%)



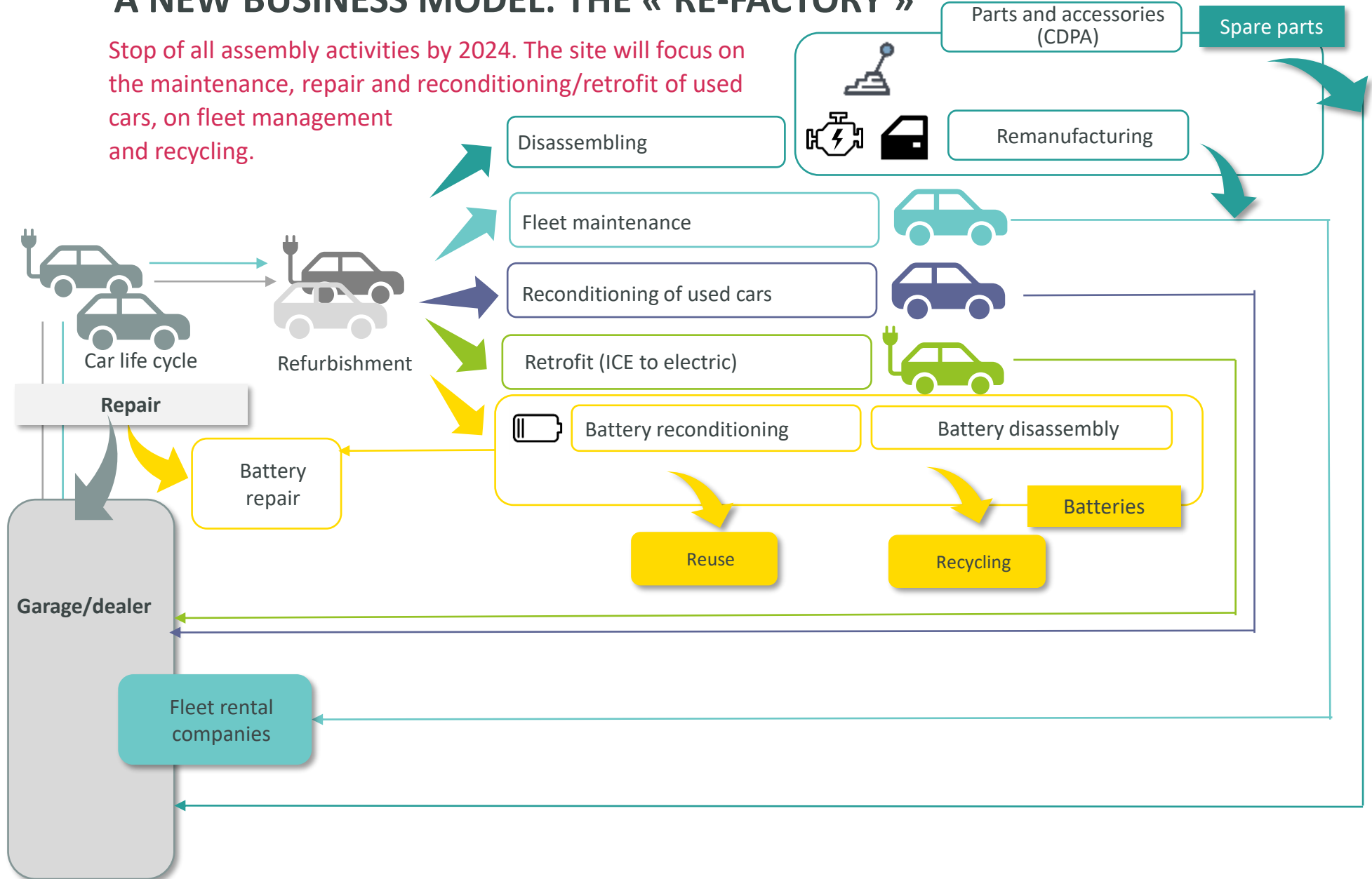
Price development for spare parts in France



Source: Argus, IHS Markit, SRA

A NEW BUSINESS MODEL: THE « RE-FACTORY »

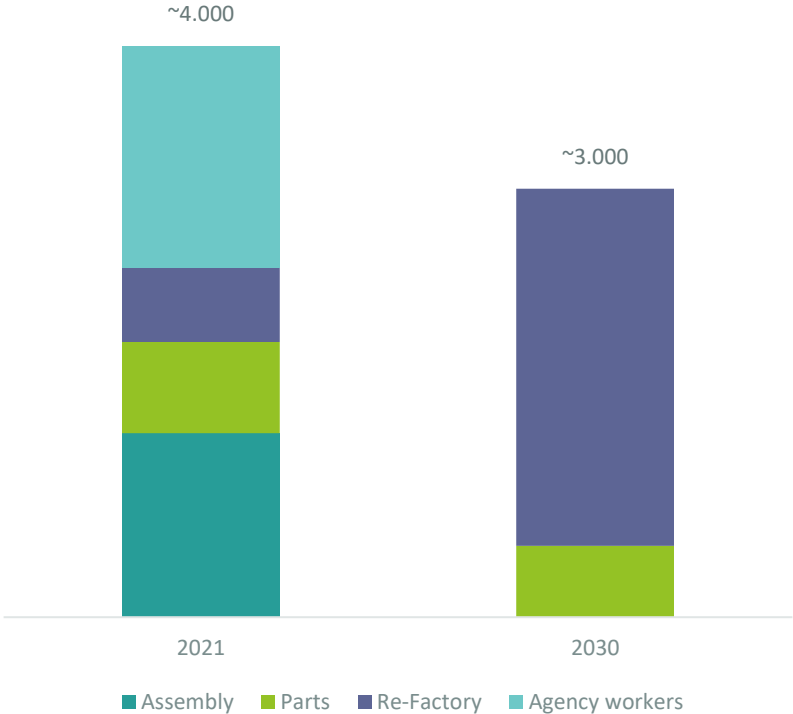
Stop of all assembly activities by 2024. The site will focus on the maintenance, repair and reconditioning/retrofit of used cars, on fleet management and recycling.



LAUNCH OF THE « RE-FACTORY » AND OUTLOOK

- ▶ Official inauguration on 30 November 2021
- ▶ Capacity of 180 used cars per day (45,000/year)
- ▶ Expected turnover: €200 million in 2025 and €1 billion in 2030
- ▶ Employment in the new Re-Factory activities is expected to partly compensate the stop of production.
- ▶ By 2030, Renault plans to employ 3,000 people in Flins.
 - The figure includes both temporary agency workers and permanent staff.
- ▶ A similar model is contemplated for the Sevilla plant (Spain).

Employment Outlook for Flins





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