

# Driving automotive innovation

## Reindustrialization reimagines the industry

The automotive industry is undergoing a transformative shift, driven by the increasing demand for sustainable and intelligent vehicles, the rapid advancement of technologies, and the evolving global landscape. Reindustrialization is emerging as a key strategy for automotive manufacturers to adapt and thrive in this dynamic environment.

According to a report by the Capgemini Research Institute, *The resurgence of manufacturing: Reindustrialization strategies in Europe and the US*, 66 percent of automotive organizations already have a comprehensive strategy in place or plan to develop one.

By embracing sustainable practices, investing in innovation, and providing training for its workforce, the automotive industry can establish a more resilient, competitive, and sustainable future.

### What is reindustrialization?

Reindustrialization is the re-establishment of global supply chains and manufacturing operations, often with the aim of bringing them closer to – or even within – domestic markets.



Our commitment to reindustrialization extends beyond economic growth. It encompasses job security for future employees, the nurturing of local talent, imparting social education, championing environmental benefits, and diligently mitigating all risks – whether they stem from supply chain vulnerabilities, natural disasters, or ecological impact. Reindustrialization is not just about profits; it's about shaping a sustainable and resilient future for all."

– Supply chain executive from a US-based global automotive organization

### Resilience and sustainability drive reindustrialization

Automotive organizations are focused on building resilient supply chains and addressing climate change through reindustrialization.

**65%** of automotive industry organizations prioritize supply chain resilience

**61%** of organizations cite climate change/sustainability concerns with long supply chains as a key driver of their reindustrialization strategy

### Strategic focus on domestic manufacturing, EVs, and batteries

Domestic manufacturing and electric vehicles (EVs) are top priorities for reindustrialization in the automotive sector. Government support is seen as key to success.

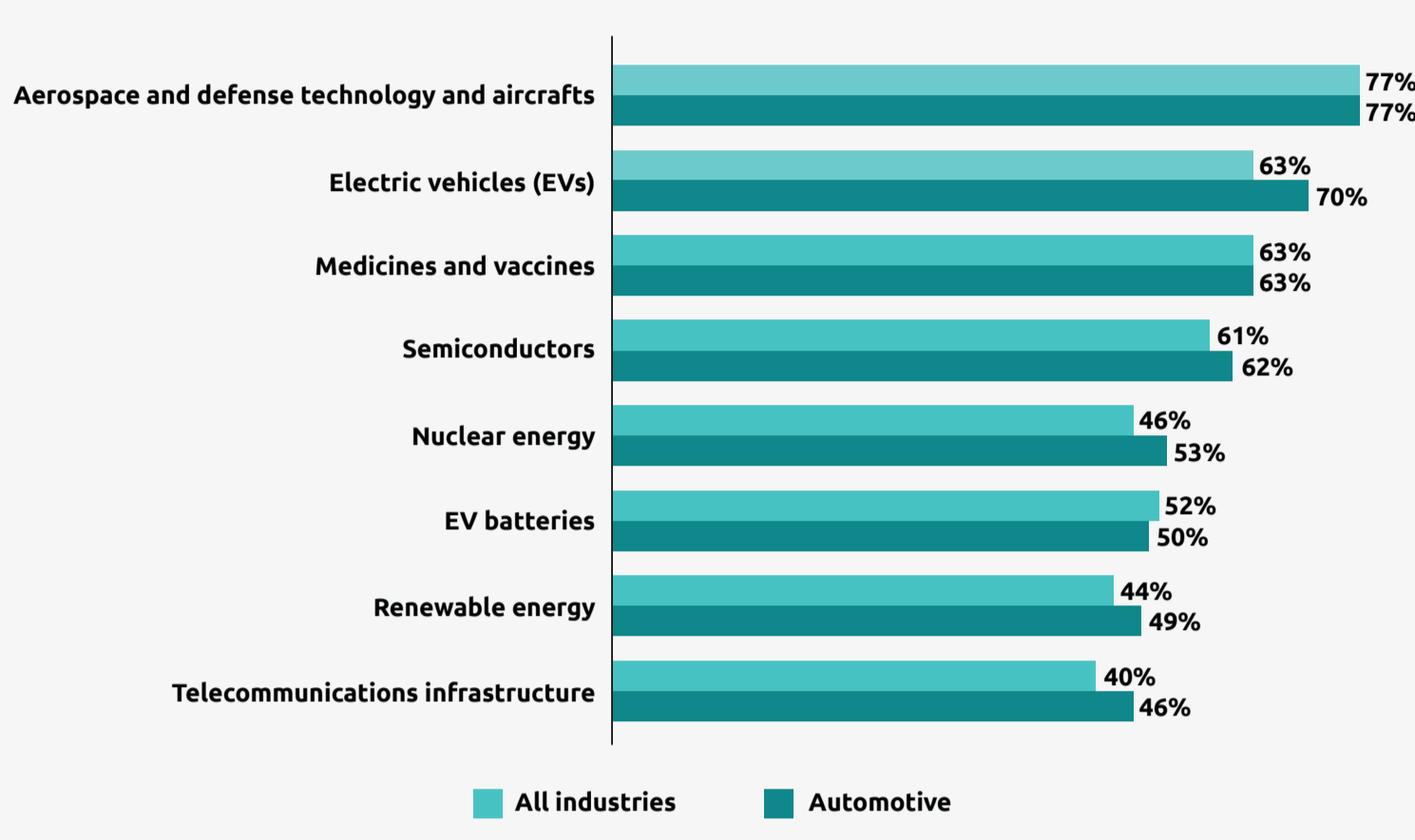
**65%** of automotive organizations believe domestic manufacturing is imperative for national security

**63%** of automotive organizations see the need to build sovereign manufacturing capabilities for EVs

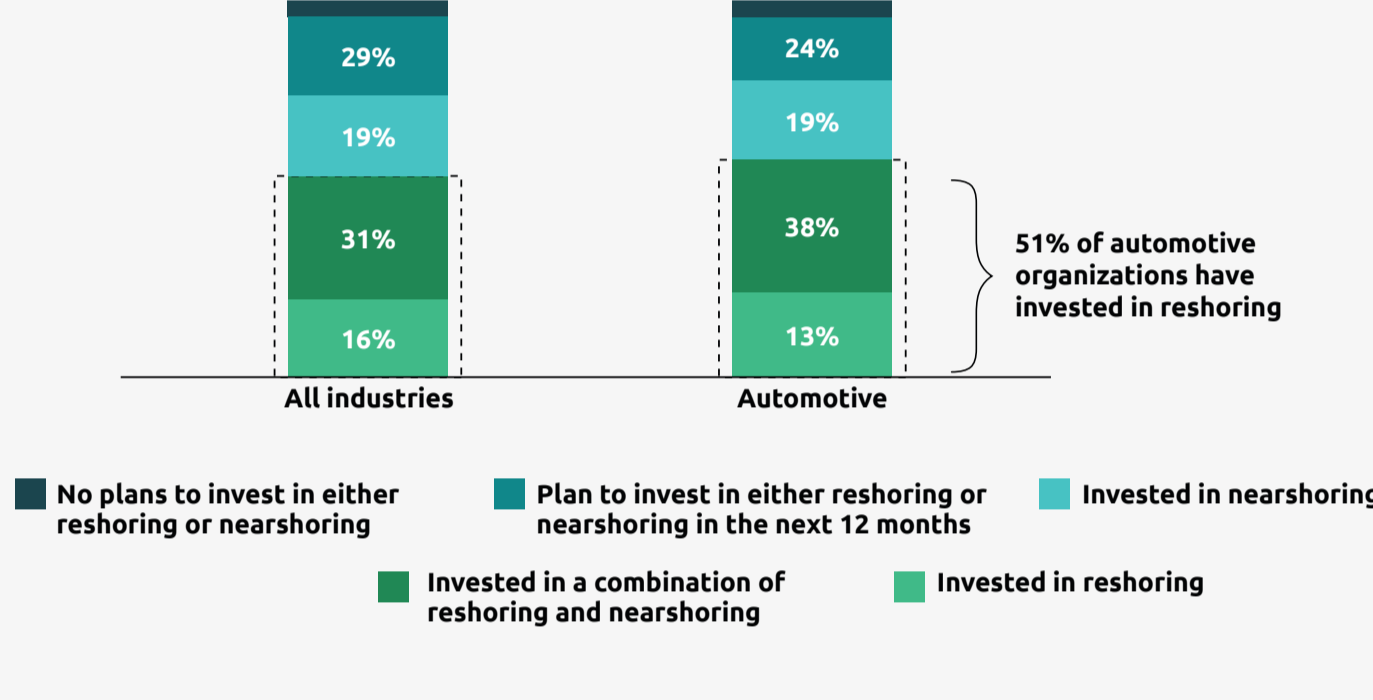
**51%** of automotive organizations have invested in reshoring, nearshoring and reshoring. Government support is pivotal in nurturing domestic manufacturing capabilities

**51%** of US organizations from the automotive industry (49% globally) acknowledge that government policies and regulations are supportive in aiding their reindustrialization endeavors

Percent of organizations that believe it is critical to build sovereign manufacturing capabilities in the categories listed below



Percent of organizations who have invested in reshoring or nearshoring the majority of their manufacturing/production



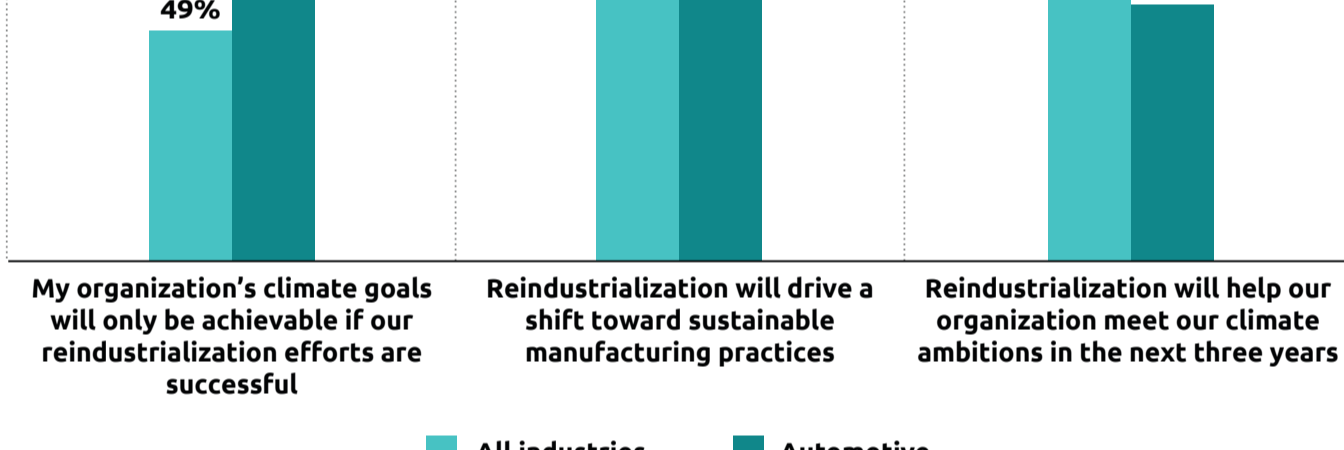
### Sustainability and gigafactories: Electrifying the future

Reindustrialization is viewed as crucial for achieving climate goals, and 54 percent of automotive organizations are either building or planning to build gigafactories for electric vehicle (EV) batteries, primarily in continental Europe.

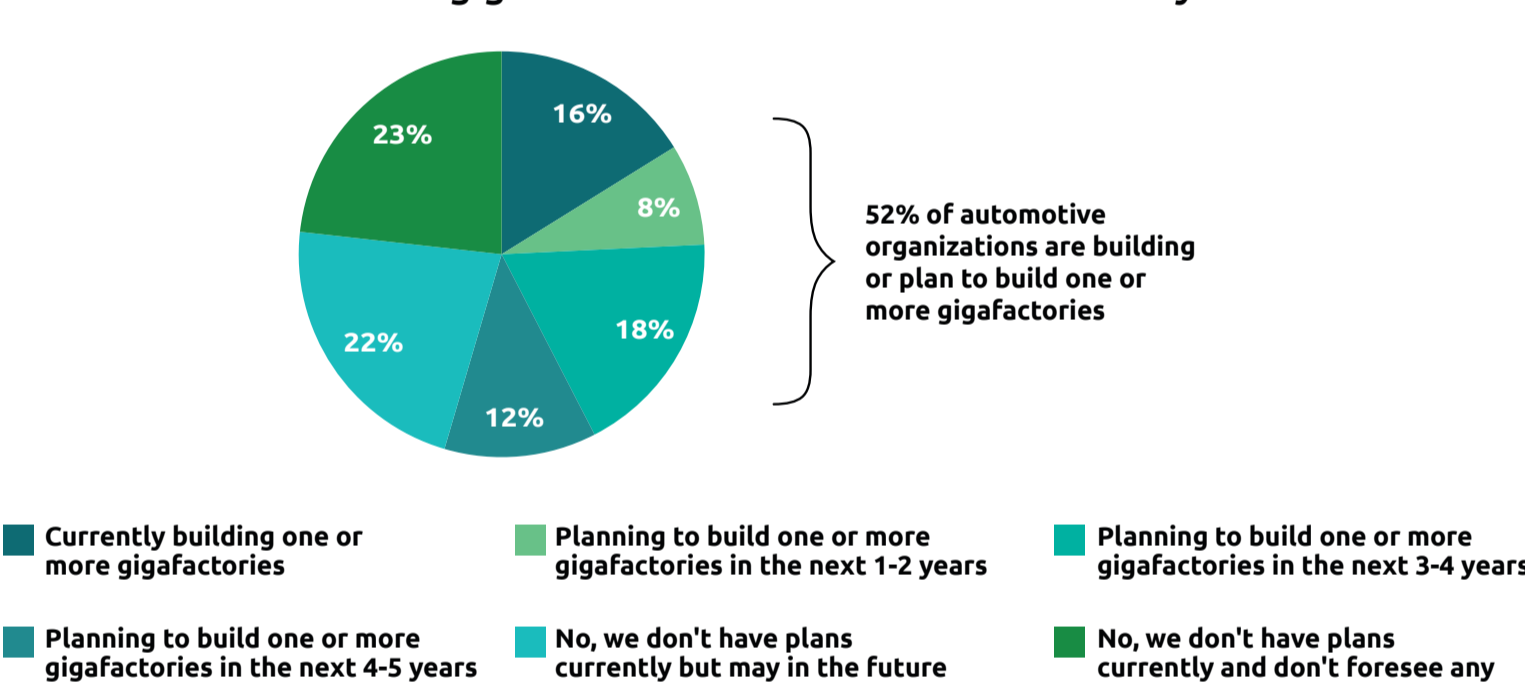
**54%** of automotive organizations believe their climate goals are only achievable if their reindustrialization efforts are successful

**54%** of automotive organizations are building or plan to build one more or more gigafactories

Percentage of organizations who agree to the below statements



Percentage of organizations currently building or planning to build one or more gigafactories in the automotive industry



### Technology as a driver of innovation

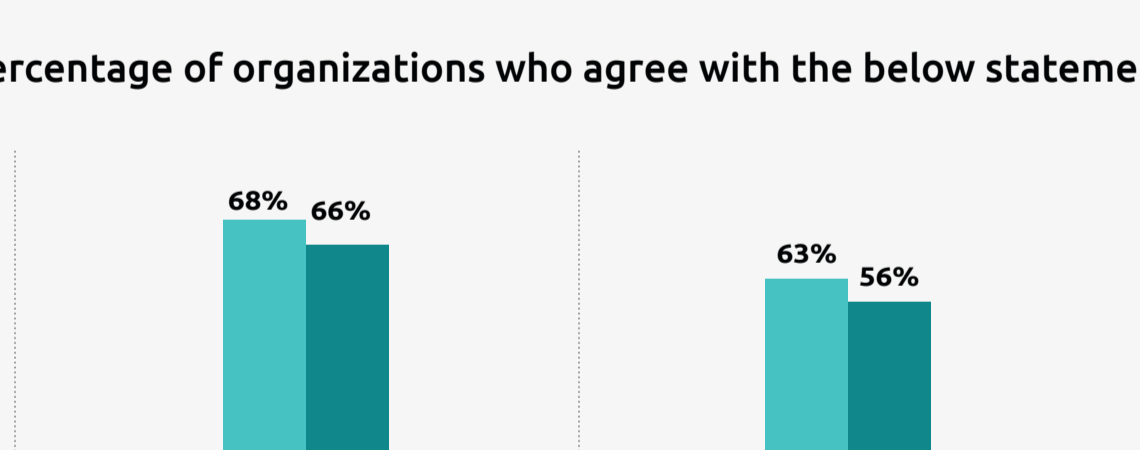
Sixty-six percent of automotive organizations are optimistic about reindustrialization driving innovation. More than half of automotive organizations are committed to increasing investment in digital technologies to boost productivity and 61 percent to combat climate change.

**66%** of automotive organizations are optimistic about the prospects of reindustrialization driving innovation and technical advancement.

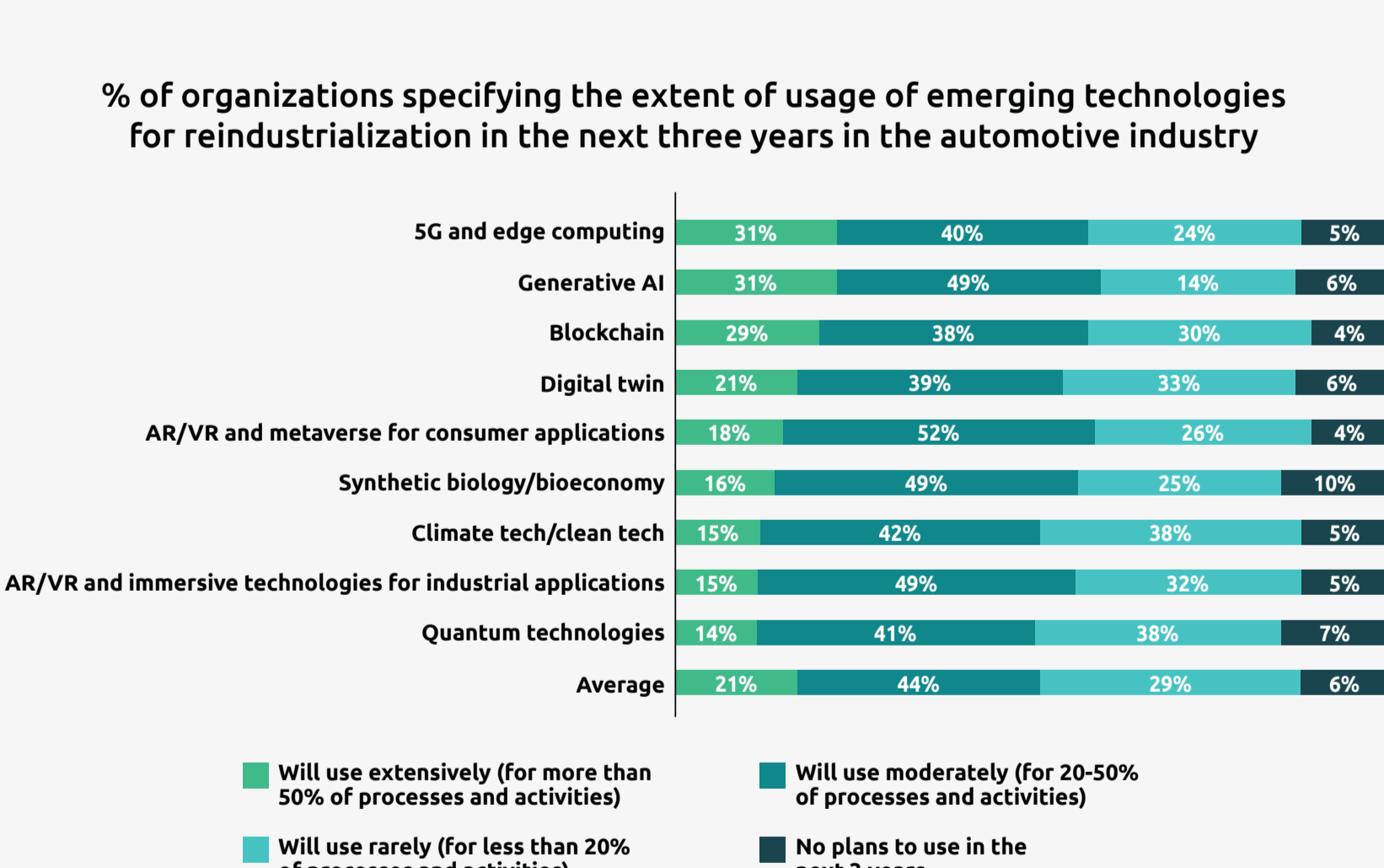
**56%** of automotive organizations plan to increase investments in digital technologies (e.g., data, cloud, AI) to boost productivity due to reindustrialization.

**60%** of automotive organizations in our survey say they plan to set up a gigafactory in Continental Europe.

Percentage of organizations who agree with the below statements



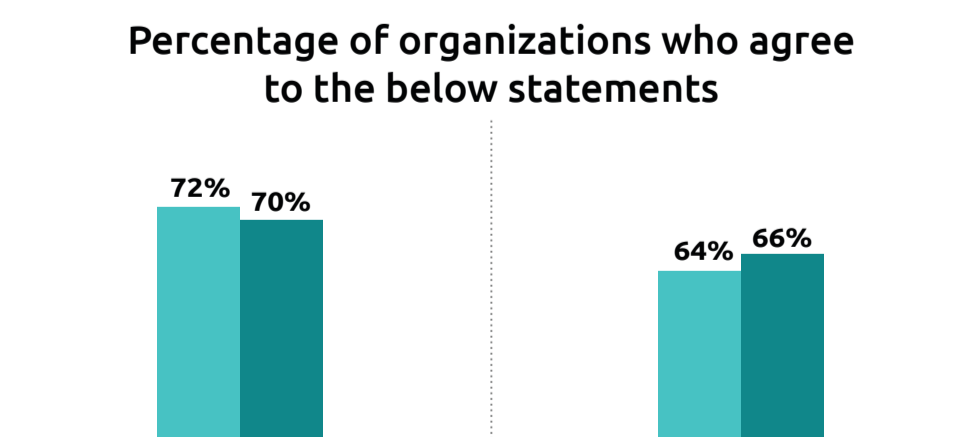
% of organizations specifying the extent of usage of emerging technologies for reindustrialization in the next three years in the automotive industry



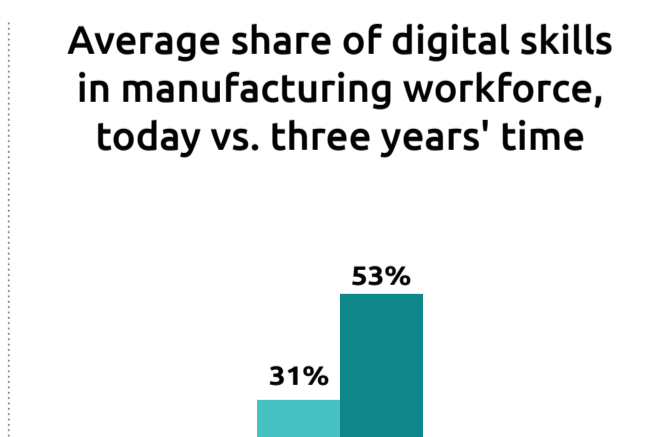
### A highly skilled workforce for a new industrial era

Reindustrialization will require a more highly skilled manufacturing workforce. In the automotive industry, 70 percent of organizations see the need for a more highly skilled workforce with creative, digital, and engineering skills. Sixty-six percent recognize the need to increase wages and reshore manufacturing jobs to retain talent.

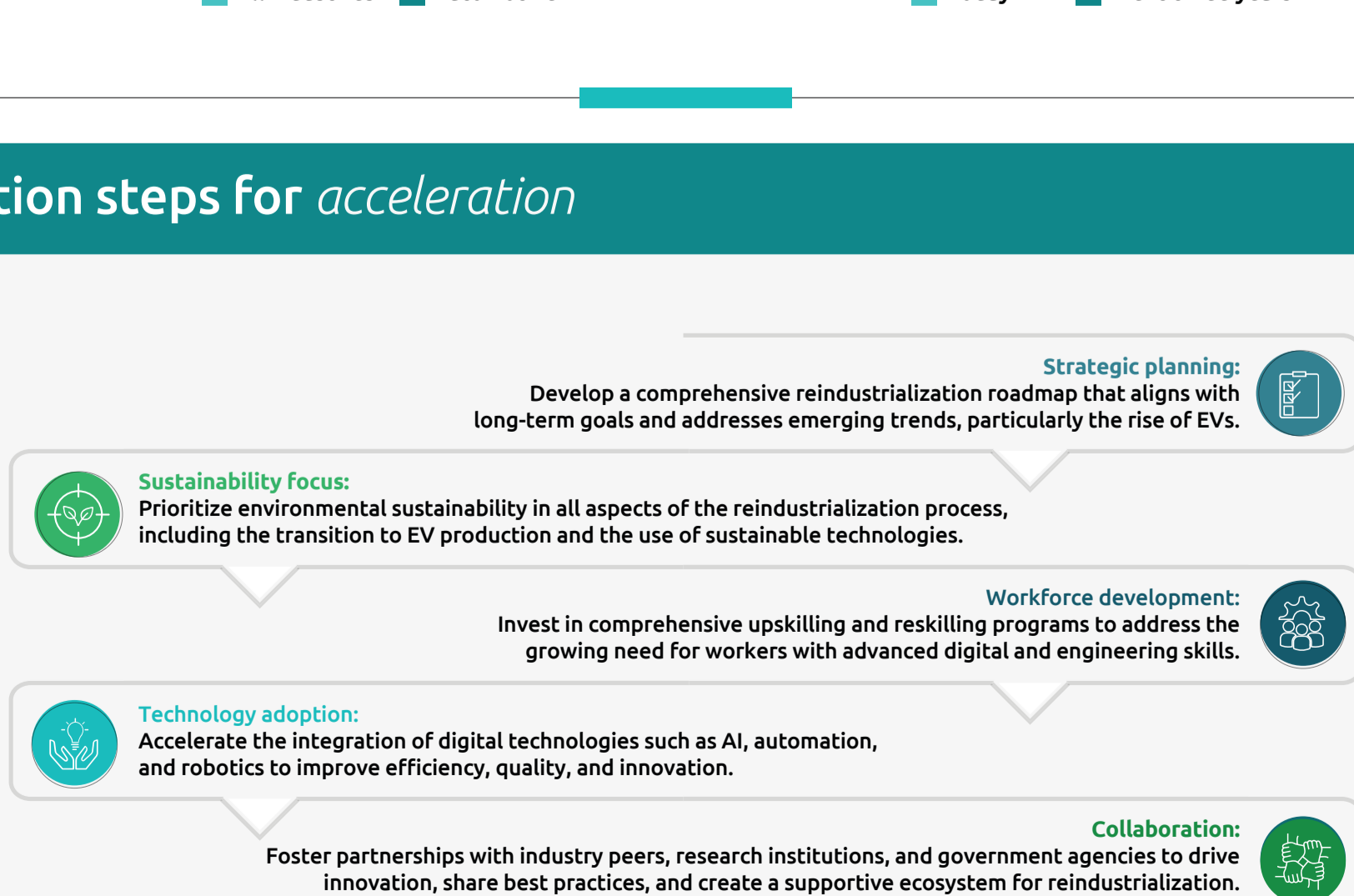
Percentage of organizations who agree to the below statements



Average share of digital skills in manufacturing workforce, today vs. three years' time



### Action steps for acceleration



Learn how leaders plan to revitalize their industrial sectors, create jobs, boost production, and strengthen supply chains. Read the full Capgemini Research Institute report, *The resurgence of manufacturing: Reindustrialization strategies in Europe and the US*.

[Download report](#)