DRIVES
Development and Research on Innovative Vocational Education Skills

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DRIVES Project
8th Stakeholder Interview

With Fazilet Cinaralp, European Tyre & Rubber Manufacturers Association (ETRMA) Secretary General.

1. **As with other economic sectors, the automotive industry was greatly affected by the circumstances of the COVID-19 virus. With the drop in the supply of cars, thousands of employees were put on leave or fired. What is the expected impact of this crisis in the labour market, particularly in the Tyre & Rubber?**

Indeed, the COVID crisis has strongly impacted the tyre and rubber sector. By the end of the year, we expect a contraction of Original Equipment tyre sales by 25% and a decrease of replacement tyre sales by 17% for passenger car and light truck and by 13% for commercial vehicles. On the rubber goods side, it is estimated that the COVID crisis will bring the market down by 11%.

During the lockdown, since 6 March, almost all tyre and rubber goods manufacturers have announced the temporary closure of their European manufacturing facilities. For an average of 33 days, 76 plants closed, affecting 84% of workers, 10% of which in R&D facilities, testing, homologation and other operational areas, including the retail networks.

2. **The automotive industry has been undergoing an adaptation to mobility and environmental trends and tackling digital and green transitions. How have the Tyre & Rubber Manufacturers been facing and preparing for this transition?**

For the European tyre and rubber industry digitisation and the sustainability of the industry and the environment it operates in are key to pave the way to recovery.

In the case of digitisation, the focus of the industry is on smart mobility to enable new digital transportation services and tyre data solutions. This is a clear opportunity for economic recovery and sustainable development and needs to be supported by opportune regulatory measures.

With regards to the green transition, the tyre industry's investments in sustainable production and consumption need to be supported by fostering market demand for products aligned with EU environmental objectives and targets. The technologies are available.

Furthermore, the industry's commitment to circular economy should also be supported, especially with regard to remanufacturing models and the development of secondary raw materials.

These trends have also a clear impact on the rubber goods industry. Process digitalisation (AI) and more sustainable processes, materials, as well as European regulations are driving the transformation of these industries. Additionally, in all rubber industry a transformation towards the green deal objectives and circular economy are obviously central. Quite a lot of the rubber goods industry serves mobility and logistics, so their trends have a huge impact of the whole industry.

Strategic skills and competence need to respond to this change of working environment, as well as to the global value chain needs.

Some of these building blocks were also identified as drivers of change by the DRIVES project and they are already shaping the present and future skills needs of the tyre industry, starting with the spreading of new technologies and business models in the transport sector.

For tyres, this means a strong focus on tyre sensorisation and data management. Furthermore, the closer coordination needed between the vehicle and its parts will increase the integration of value chains across the world, with consequences for both the tyre and rubber industry. These new technologies and business models are also mirrored in the societal changes and in the changes in the way consumers make use of transport.

In terms of the skills and the profiles linked to these trends, the tyre industry's perception coincides with DRIVES' survey findings, with a focus on Big Data and Digital Skills as well as Systems integration.

With regards to the Climate goals, Environmental and Safety challenges are the present and the future focus of our industry.

Given the trade-offs of tyre performances and the strong push towards electrification of road transport, it is clear that materials will be at the core of tyre development and of that of other applications. This will further reinforce the present needs for skills linked to material sciences, with a particular need for MeCHEMtronics – bringing workers from pure mechanical skills to mechanic, chemistry and electronic expertise.

3. Recently the EU listed natural rubber as a critical raw material. How relevant this is for the industry?

This is very important and reflects a clear peculiarity of our sector. Natural rubber is an incredibly important raw material for the European tyre and rubber industry and a key enabler for several industries – especially automotive, aerospace and medical. The tyre industry alone absorbs about 76% of all the natural rubber produced globally. Today, there is no substitute for natural rubber from *hevea*

trees that could be used in all current applications.

The critical raw materials list reconfirms natural rubber's priority status in EU policy and the importance of securing fair and sustainable supply of natural rubber for European industry. It also provides further support for ongoing industry research into alternative sources of natural rubber.

As highlighted in the EU's foresight report, part of the Communication on Critical Raw Materials, the EU neither produces nor processes natural rubber. This means that the EU is entirely dependent on imports, mainly from South East Asia. The biotic nature and unique characteristics of natural rubber mean that it is difficult to substitute through alternative sources or secondary raw materials, creating many uncertainties for producers and end users.

Under the framework of the European Innovation Partnership on Raw Materials in 2008, ETRMA committed to diversifying natural rubber supply: to reduce dependency on South East Asia and to grow research into alternative sources. In this context, industry is researching how natural rubber sourcing from dandelion and guayule – plants that grow in Europe – can be scaled to supply both tyre and rubber industries.

4. **ETRMA is a strong defender of the importance of investing in skilling and up-skilling of the existing workforce, having written a letter from Automotive Value Chain to Commissioner Schmit on European Skills Agenda. In ETRMA's view, how important is to bridge the skills gap? How should the industry go about doing this without losing its competitive edge? Also, regarding the Sector Skills Alliance, such as the DRIVES project, how do you see the relevance of these projects to the industry value chain?**

Skills need to be generally adapted to the future needs of the whole industrial picture, including, high-level STEM and engineering, sustainability needs, as well as linked to innovation, digital and decarbonisation agenda.

This is an opportunity for the European Industry to secure right kind of future talent and so it is a strategic issue, particularly as these will be essential to ensure that the industry can progress towards its full recovery and general sustainability and competitiveness.

It has always been a challenge to have the general public understand the level of technology behind and spearheaded by our industry – whether for tyres or general rubber goods. There is the wrong perception that our is a "traditional industry", somehow impermeable to consumer, mobility and technology transformation trends. As seen above, this could not be less true. However, this perception translates in an increased difficulty to attract the right talents. Furthermore, the level of specialization of our industry requires very specialized skills, with increasing difficulties in finding adequate and up-

to-date enough trainings.

Finally, since the rubber goods industry is mostly composed by SMEs, there is the need for new forms of trainings, not only in terms of content, but in terms of format with a particular focus on modularity and the need for micro-trainings that would allow to achieve very specific skills. This would allow to promote a culture of lifelong learning for all and specific learning paths for each worker.

In this context, the tyre industry strongly supports the work carried out by DRIVES and hopes this will be the basis for an AUTOMOTIVE SKILLS PACT that will help driving the whole automotive ecosystem. To do so, it is key that any future pact for skills will include both a European level and a regional one. At EU level, we see the need to set up an umbrella organisation, in the form of an Automotive Skills Alliance. This will allow for continuous skills intelligence updates, will serve as single entry point for the industry to express its skills needs and to share best practices, will provide overall skills definitions and updates as well as harmonisation through the ecosystem and the EU, and ensure high quality level for the training provided in the EU, including digital badge and quality rules for the training providers.

On the regional level, we hope that the Pact will be the framework and the trigger for regional up-skilling and re-skilling projects, pulling together all the industry stakeholders, training providers and public authorities and that this will result in the upskilling of 5%of the workforce in the automotive eco-system per year.

5. **Which are the 2-3 songs you must have in a long car journey? Alternative question - What was the new hobby you've taken up, or learnt, during the confinement period?**

Any long car journey should not be without: Bossa Nova music, Beethoven's Moonlight Piano Sonata, Guitar Concerto by Joaquin Rodrigo.

As for the hobbies taken up during the confinement, I enjoyed a lot cooking with fresh vegetables from the market.

Short Bio

Mrs Fazilet Cinaralp, Secretary General – European Tyre and Rubber Manufacturers' Association

Mrs Cinaralp joined the Rubber Industry in 1991 where she exercised several functions towards the European Institutions, mainly leading environmental projects.

Between 1997-2006, she served as Secretary General of the European Rubber Industry Association –BLIC.

Since 2006, Mrs. Cinaralp is leading the European Tyre & Rubber Manufacturers' Association-ETRMA. Fazilet Cinaralp has an extensive experience in environmental and sustainability issues.

She is member of several Advisory/Expert Groups of the European Commission and amongst the founding members of European industry coalitions, such as *Industry4Europe*, *CheMi Platform* and the *European TRWP Platform*. She was also appointed *Advisor to the EU* with the International Rubber Study Group (IRSG).