

# Automotive in Västra Götaland

## The automotive cluster in Västra Götaland

By international comparison Sweden is unique. Despite a population of only nine million, the country is home to four vehicle producers with the whole chain from development to manufacture. Two of the world's leading manufacturers of heavy vehicles – Scania and the Volvo Group – and two carmakers – Saab Automobile and Volvo Cars – are based in Sweden. Three of them, Volvo Cars, Saab Automobile and the Volvo Group, are located in Västra Götaland.

The automotive cluster in Västra Götaland is the most important industrial cluster in Sweden. Together with its suppliers in other sectors (IT, company services, the metal industry, etc), the automotive industry employed an estimated 130,000 people at the end of 2009, between 50,000 and 60,000 of them in Västra Götaland. This is equivalent to 7-8% of all jobs in the county. Employment in the industry has fallen by 20% since the third quarter of 2008.

Only two countries in Europe, Slovakia and Germany, have more people employed in the automotive industry, expressed as a proportion of the total number of jobs in industry. The automotive industry accounts for 12% of industry's value added, 14% of exports and automotive exports are second largest net exports of all commodities.

### **A large proportion of research is vehicle-related**

In 2007, the automotive industry accounted for almost a quarter of industry's R&D investment in Sweden – more than twice as much as the pharmaceuticals industry. According to Eurostat's statistics of industry's R&D intensity, Västra Götaland ranks second among all European regions. The automotive industry is of decisive importance for this high ranking.

## Region Västra Götaland has a long-term approach

Region Västra Götaland works actively with long-term efforts to promote sustainable growth and competitiveness in Västra Götaland. A total of 400 million SEK are invested every year in various development activities, which are often co-financed by companies or organisations with sums amounting to twice or sometimes three times as much. All in all, the total may be around 1-1.5 billion SEK a year.

For some years now, an important element in our efforts has been to strengthen the development environment for the automotive industry. For example by supporting research and development programmes in the areas of vehicle safety, energy and the environment. One example is Test Site Sweden in Gothenburg, which is a testing centre for the car industry.

### **Efforts that strengthen each other**

The automotive industry is both research-intensive and high-tech, which means that it is also very important in other areas. Around Västra Götaland great efforts are put into developing the energy and environment sectors, where the prerequisites are very good. Largely thanks to well-developed supplier chains, a strong engineering industry, a large engineering cluster and possibilities to collaborate with the automotive industry.

The InMotion programme will contribute to the development of products and services that will benefit the restructuring of the automotive and transport industries and further development in the energy and environment engineering fields. Region Västra Götaland is investing a total of 150 million SEK in the programme, and other companies and organisations will be contributing at least as much again.

### **Strength through interaction**

Region Västra Götaland's role is to a great extent a question of interacting with key players – companies, industry clusters, national authorities, municipalities, institutions of higher education, employment offices and knowledge and competence centres – to create the best possible prerequisites in Västra Götaland.

Region Västra Götaland also contributes to building up platforms for collaboration, for example Innovatum in Trollhättan and Lindholmen Science Park in Gothenburg. The platforms' role is to act as a resource for collaboration between large and small enterprises, institutes, academia and other civil society players. They focus on different future sectors in Västra Götaland, among them the automotive industry.

### **A long-term effort**

Region Västra Götaland's efforts are long-term and based on Vision Västra Götaland – a united vision for development in Västra Götaland, shaped in collaboration with many different players. The main focus of this vision lies in five areas: thriving and sustainable trade and industry, knowledge and competence development, infrastructure and communications, culture and health. There are also growth programmes that aim to create prerequisites for long-term growth.

The aim of our efforts is to reinforce Västra Götaland's prerequisites to cope with upswings with great demand and downturns with structural changes and less demand. This is why Region Västra Götaland's efforts are so strongly focused on innovation and renewal, together with action programmes for the transport system.

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*Region Västra Götaland is the political and administrative body in a region of 1.5 million inhabitants in Western Sweden. It's major responsibilities are to offer good healthcare and to contribute to good public health, a rich cultural life, a good environment, jobs, education and good communications. Region Västra Götaland is governed by democratically elected politicians.*

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