

AUTOMOTIVE

Global decarbonization efforts, fueled by climate change concerns and fuel price changes, are shaping the long-term outlook for the automotive industry. While companies are struggling with logistics in the short term, including price volatility, supply chain disruptions, and infrastructure needs, they remain committed to trends like electrification and circular product management to unlock the green transition.

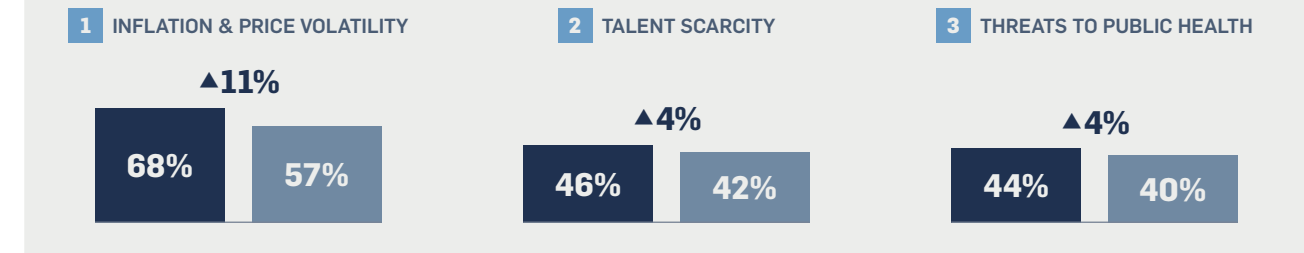
“The automotive industry is experiencing an irreversible trend in electrification. This is key to achieving a net zero economy. The magnitude of change electrification brings may have parallels drawn only to the transition from horse-drawn carriages to internal combustion engines in the early 1900s.”

Girish Wagh,
Executive Director of Tata Motors Limited



THE MOST PRESSING CHALLENGES

■ AUTOMOTIVE ■ CROSS INDUSTRY



CURRENT LANDSCAPE

TOP RESILIENCE ACTIONS FOR AUTOMOTIVE CEOs



The energy crisis, rising gas prices, limited access to materials such as nickel and lithium, coupled with consumer pressure to address climate change and increasing restrictions from governments, is fueling change in the automotive industry. As a first step, CEOs are looking to increase their digital and data capabilities to build a more resilient supply chain, as well as upskill their people to support a just transition. Companies are also investing in affordable and accessible EV charging infrastructure. As Mary Barra, General Motors' Chair and Chief Executive Officer, states, "We want to help make sure that the transition to a more sustainable economy is inclusive, focusing especially on offering EVs across price points and segments, as well as convenient access to the charging infrastructure." Yet, they are calling on government to support the broad infrastructure investments needed. To truly transform, the automotive industry will need to take an ecosystem approach, not only collaborating with governments, but also partnering with the utilities and energy sectors to make EVs convenient and affordable for consumers.

WHERE IS THE INDUSTRY GOING?

TOP SUSTAINABILITY PRIORITIES FOR AUTOMOTIVE CEOs



In the future, sustainability in the automotive industry will go beyond switching from fossil-fuel engines to EVs, to addressing the entire lifecycle of a vehicle, from design and manufacturing through to end-of-life. Circular product management, supported by strong digital and data management capabilities to enable traceability, is a promising solution for CEOs. It not only satisfies the growing focus on sustainability, but also addresses issues such as resource scarcity and price volatility of raw materials.

TRANSFORMATIVE INNOVATIONS

