



Statement by Vice-President Maroš Šefčovič following the meeting with high-level industrial actors under the European Battery Alliance

Brussels, 19 May 2020

Today I held a video conference with a group of high-level representatives from industry to discuss ways the European Battery Alliance (EBA) can contribute to the European Union's post coronavirus recovery. European Investment Bank Vice-President Andrew McDowell also participated.

Despite the current crisis, the EBA has remained on track in its crucial work. The industry representatives made clear to me their determination to accelerate projects throughout the value chain to help create jobs and growth in Europe, while fostering the green and digital transition. According to EIT-InnoEnergy, an Acceleration Plan proposed by industry is set to create up to 1 million jobs in a European battery ecosystem worth € 210 billion by 2022. I also heard from the European Investment Bank that battery projects along the entire value chain remain among its top investment priorities – with loans amounting to € 1 billion having so far been allocated by the Bank, leveraging € 4.7 billion in total.

We all agree that the EBA is crucial to bolster Europe's resilience and strategic autonomy in key industrial ecosystems, notably by reducing our dependency on third countries, such as China and South Korea.

Prior the coronavirus pandemic, the European battery ecosystem was already gaining momentum. Several industrial projects have emerged across Member States, covering the entire value chain from lithium mining and processing to battery cells and recycling. Electric cars are becoming increasingly mainstream in Europe, with major car manufacturers announcing a broader portfolio of electric vehicles models. Europe has also seen the most rapid growth of any region in planned lithium-ion battery production capacity, with its global share set to reach 14.7 percent by 2024, overtaking the United States and Asia (excluding China).

In this context, I have asked industrial actors to present their action plans to keep and strengthen this momentum, building on:

- *The uptake of electric vehicles:* in the first three months of 2020, electric vehicles benefitted from the decline in demand for diesel and petrol vehicles, with their market share rising to 6.8 percent (from 2.5 percent in Q1 2019), mainly thanks to the new CO2 emission targets coming into force;
- *The expected production trends:* the number of electric vehicle models produced across the EU is about to surge from the 98 models currently available to some 214 in 2021;
- *Prospects of self-sufficiency in the lithium industry:* four sustainable lithium mining projects totalling € 2 billion have been launched in Europe (ES, PT, DE/CZ, DE/FR) and should be in operation by 2022-2024. Their impact will be significant as they are set to meet up to 80 percent of Europe's lithium needs by 2025, thus contributing directly to our strategic autonomy.

Following today's virtual meeting, the Commission will continue to mobilise, in an inclusive manner, all industrial participants, Member States and the European Investment Bank to ensure the successful implementation of ongoing investments. With the industry in the lead and in close cooperation with the Member States, we will also continue to:

- **Leverage investment:** five months ago, we authorised the first Important Project of the Common European Interest led by France (€ 3.2 billion national support for total investment of € 8.2 billion); the second IPCEI led by Germany is being prepared; the Business Investment Platform led by EIT-InnoEnergy has mobilized projects along the value chain worth € 7 billion in investment; there are 10 innovation-driven projects spanning 29 regions under the Smart Specialisation Platform, with support from EU structural funds (€ 7.6 billion still available);
- **Establish a fit-for-future regulatory framework** to promote our competitive edge in sustainability and innovation, and implement the circular economy agenda for all batteries

produced or sold in Europe;

- Build our raw materials resilience as part of Europe's strategic autonomy: we will come up with a critical raw materials action plan to address the security and sustainability challenge of raw materials (beyond lithium), as announced in the Industrial Strategy. In addition, based on the EBA model, we will work closely with industry to remove bottlenecks in critical raw materials supply chains through a dedicated alliance.

The coronavirus crisis has highlighted the need to boost our industrial resilience and economic security in strategic sectors and game-changing technologies of the future. The initiatives under **the EBA can therefore forcefully support the European Union's recovery**, aimed at building a more sustainable, competitive and resilient economy.

CEOs from 12 European companies representing the entire European battery value chain took part at the video conference, organized by EIT InnoEnergy and chaired by Commission Vice-President Maroš Šefčovič. The companies are as followed: BASF, E-bility, EDF, Forsee Power, Infinity, Northvolt, Orano, SAFT, Schneider, Umicore, Volkswagen, Vulcan Energy Resources.

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