WHO WILL MAKE OUR BATTERIES? EUROPE'S MOMENT OF TRUTH

By the CEOs of Europe's Own Battery Cell Manufacturers
Frank Blome, CEO, PowerCo | Benoit Lemaignan, CEO, Verkor | Yann Vincent, CEO, ACC

Amid global tensions and economic shifts, the President of the European Commission once again convenes stakeholders to discuss the future of the European automotive industry on September 12. As CEOs of battery cell manufacturers with operations in France, Germany, and Spain, we are committed to contributing by **building a resilient, competitive, and sustainable European battery ecosystem**. **But without immediate, targeted support for local production, Europe risks losing its strategic autonomy in a critical 21st-century technology**.

A Strategic Industry Under Threat

Batteries are **central to Europe's automotive sector** and its **transition to zero-emissions transport**. They also underpin **European security**. Today, 99 percent of batteries globally are made by non-European companies, leaving Europe's €800 billion automotive industry—employing over 13 million people—dependent on Asia.

And while the US and China offer substantial subsidies for local production, **European manufacturers, still scaling up, risk being outcompeted before reaching maturity**.

The Cost Of Inaction

Failure to act can have **severe consequences**:

- Investment losses across the European value chain.
- Loss of a €250 billion annual market to Asian imports.
- Loss of ground regarding innovation and know-how.
- Strategic vulnerability in the automotive sector.
- Dependence on non-European suppliers for critical technologies.

This is not just industrial—it's geopolitical.

A Time-Limited Opportunity

The European Commission recognised this urgency in March 2025, proposing direct **production** support. Beyond what will be permitted on national level through the new state aid framework, **the European Battery Alliance recommends a support scheme through EU funds**:

- €1 billion for ramp-up support (already partially allocated).
- €1.8 billion for the first three years of production, tied to output (already earmarked).
- Additional EU funds from 2028–2030 to ensure long-term competitiveness.

This is not a handout but a bridge to performance, enabling 90 GWh of EU-made batteries by 2027—enough for 1.2 million electric vehicles.

Highly Effective Support, Decreasing Over Time

We are working hard to **attract talents, build technology know-how, and live up to our ambition of contributing to Europe's global competitiveness and resilience**. Now is the time for **direct production support, tied to output and decreasing over time**. Public funds will be only disbursed upon delivery to customer, creating a built-in safeguard that rewards performance, not promises.

Support should be accompanied by protection. Tying electric vehicle subsidies to a gradually phased-in share of European content would create a dual lever—stimulating consumer demand while strengthening European supply chains.

We urge European policy-makers to work together: Act pragmatically, cut red tape, and mobilize funds. The cost of inaction far outweighs the cost of support.