

Speech by Vice-President for Energy Union Maroš Šefčovič at the Industry Days Forum on the Industry-led initiative on batteries / the EU Battery Alliance

It is a great pleasure to open this Panel on the EU Batteries Alliance.

Our objective for the Alliance is simple, but the challenge is immense. We want, almost from scratch, to create a competitive and sustainable, battery cell manufacturing in Europe supported by a full EU-based value chain.

I am saying “almost” because we have what it takes to become world leaders – we have strong research and innovation, we have leading companies in all the value chain, we have strong recycling competence, a highly-skilled workforce, an attractive ecosystem, we have political, regulatory, and financial support (we will come back to that), but ... – and it’s a big BUT ...

We do not – as yet – have a scaled up manufacturing capacity in battery cells.

And what we are missing on, is huge: by 2025, the market in Europe is the European battery market could be worth around €250 billion per year^[1]. As large as the entire Danish economy. Do we want to leave this to our global competitors?

To capture this market, or a great part of it, we need between ten and twenty Giga factories in Europe. It has been estimated that the size of the investment required is around €1 billion per 10 GWh. So even if this is not scientific, we would need around 20 billion euros investment. This is a huge investment of course. But it is within our reach (recall 250 billion euros mobilized thanks to the Juncker plan).

While this effort must be industry-led, the **scale** and **speed** needed means that this can only be a combined effort.

It is for the EU institutions, primarily the Commission and the European Investment Bank, and Member States to pool our resources and co-operate to create a supportive framework for this investment.

Since October the Batteries Alliance has helped to generate considerable traction with concrete projects and actions emerging.

EU industry has done its homework and shown that there is a willingness to make the investment and take the risks.

They are ready to take the lead.

Therefore, I am very pleased that I am joined by Peter (Carlsson – Northvolt), Holger (Gritzka – Terra-E) and Ghislain (Lescuyer – Saft) to give us a “*front line*” view on the projects they are carrying out, and the challenges they are facing.

The European Investment Bank is also a strategic partner. I am delighted that Andrew is here to tell us more about its proactive role and, of course, the recent approval of a first loan through the Innovfin EDP facility.

And we will also hear from Diego about the excellent work of InnoEnergy – and its network of more than 80 industrial and innovation actors – to jointly propose 20 priority actions to establish a full competitive value chain in Europe. Diego, I will be particularly interested to hear about the proposals for a value chain centred on “green” high performance batteries. Meaning: sustainable and responsible supply of raw materials, clean energy based production process, recyclability and second use. I am convinced this should be the basis for our global competitive advantage.

I have followed very closely the work of the industry and many Commission services have participated in it. There are many extremely interesting actions that we need to pursue, including:

- o simplification of approval procedures and permitting processes in the EU;
- o Imaginative ways of reducing the carbon footprint of battery manufacturing; and
- o Financing demo projects.

I could – but will not – continue.

This session, like the Alliance, needs to be driven by the Industry. We, the Commission, are here as system integrator or facilitator.

Within the Commission, I have secured the support from all my colleagues in the Energy Union project to ensure that the Alliance is a priority across the board.

We have also reached out to interested Member States – most recently last week in a high-level meeting – and we are now looking into very practical ways forward to create the right conditions for industry investment. This can only be a joint and concerted effort.

[\[1\]](#)InnoEnergy

[The EU industry’s 20-point priority action plan \(under EU Battery Alliance\)](#)