Speech by Vice-President Šefčovič at the press conference following the 5th high-level meeting of the European Battery Alliance

Brussels, 12 March 2021

Ladies and gentlemen,

2020 was another defining year for the European Battery Alliance. I am therefore glad that we have met today – the Commission, Ministers from leading Member States and the European Investment Bank – to assess the progress achieved, but mainly, to discuss the way forward.

Despite the pandemic, Europe continues to be a battery hotspot, closing the investment gap to our major Asian competitors, and in moving fast towards its open strategic autonomy in this critical sector.

In this context, let me highlight that almost 70 industrial projects are being supported by the Alliance, while expected to create 3 to 4 million jobs by 2025. Many of the battery investments have recently advanced their timelines and raised their expected output capacity.

The production of lithium-ion cell batteries has shown the most progress – and by 2025, we are now set to become the second largest battery cell producer in the world, behind China. Moreover, nearly 30 announced projects should largely satisfy the EU demand for batteries driven by e-mobility.

In fact, 2020 will go down as the year of the electric car in Europe, as this market saw historic highs – notably, over 1 million e-cars registered, effectively doubling their number on EU roads.

Now, what do we do to keep up the pace?! Here are our most pressing priorities as key takeaways from today's meeting.

First, we must accelerate the work on the proposed Batteries Regulation – i.e. adopt the General Approach in the Council under the Portuguese Presidency and strive for the adoption of the proposal by 2022 at the latest, while maintaining the overall level of ambition on sustainability and circularity. This is indispensable, given the expected ramp-up in the production of batteries by 2023.

Second, it is essential to strengthen the local sustainable sourcing and processing of raw materials used in batteries as well as local production of key components that determine the performance of lithium-ion batteries.

- This calls for significant investment and greater mobilisation of public funding. As the Member States are finalising their national recovery and resilience plans, I encourage them to include investment in raw and advanced materials. Cohesion funds are another source of funding to consider.
- The EIB's involvement is decisive here to de-risk raw materials projects, leverage additional private money and effectively, to close the estimated financial gap of 15 billion euros by 2025.
- The Commission, for its part, will launch a Roundtable on the environmentally and socially sustainable raw materials mining and will publish a set of EU principles for sustainable raw materials to guide industrial action.

Third, this European battery success story depends on our ability to address the fast-emerging skills challenge, as the manufacturing of batteries requires a specific set of skills and currently, our labour market does not sufficiently meet the demand.

- The industry estimates that by 2025, this growing skills shortage could amount to some 800,000 jobs across the entire battery value chain.
- We need to shift to training on the ground – and therefore, to roll out national reskilling and upskilling programmes across the Member States. Again, my strong plea is to include such projects in the recovery and resilience plans as well as in the Territorial Just Transition
Plans, as this also key to bounce forward from the current crisis.

- To facilitate, I have tasked EIT InnoEnergy to team up with interested Member States to help them prepare their country-specific project proposals. InnoEnergy will soon launch a so-called EBA250 Academy, developing curricula and training content based on the industry's skills needs and in partnership with local training professionals.

- Taking inspiration from the Commission's Initiative for coal regions in transition, we will establish at expert level the Platform for Skills for the Batteries Ecosystem in Regions. It will support them in defining the skills needs.

Before I conclude, let me give you heads up for another milestone announcement in April. The Commission and private actors will sign a Memorandum of Understanding on Horizon Europe partnership – to foster research and innovation in the battery sector and worth of some 900 million euros.

Let me finish by hailing the outstanding collaboration of all actors under the European Battery Alliance, including the Member States – and especially Ministers Peter Altmaier and Bruno Le Maire for their personal involvement and inspiring leadership.

Vielen dank!

Merci beaucoup!

Press contacts:

Sonya GOSPODINOVA (+32 2 296 69 53)
Célia DEJOND (+32 2 298 81 99)

General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email

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