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## Accelerated demand for today's key battery technologies will drive market growth needed for Green Deal achievements by 2030

By: Rene Schroeder, Executive Director, EUROBAT

*The European battery industry is currently undergoing a transformational process driven by the ambition to decarbonise our transport and energy systems. Motivated by the new strategic growth outlined in the European Green Deal, demand for batteries will grow rapidly in the coming years, making this market an increasingly strategic one at a global level.*

In 2019, the automotive and industrial battery market was worth €15 billion in Europe and €87 billion worldwide. This is forecast to rise to 35 billion and over 200 billion per year respectively by 2030<sup>1</sup>, which predicts an accelerated growth rate of 100-200%.

Today's key battery technologies – lead-based and lithium-ion – will remain the most important and will both undergo growth as we head towards 2030. While lithium-ion will be the exclusive technology for xEV (all electric vehicles) traction batteries, lead-based chemistries will almost entirely equip 12V starter and auxiliary batteries, as well as industrial batteries for UPS (Uninterruptable Power Supply) and telecom applications.

Moreover, considering that batteries are the cornerstone for establishing the power grid and for the roll-out of clean mobility, they are a key enabler of the green transition.

This requires changes to the legislative framework on batteries, something that policy-makers and stakeholders have been working on over the past years. The support and collaboration between different actors, such as the European institutions, different stakeholders and national governments, are needed more than ever before. The European Commission's presentation of the [proposal for the new Batteries Regulation](#) on 18 November is fast approaching and we should all be prepared.

As an industry association, we look forward to the substance of the new Batteries Regulation. It is critical that the measures are balanced and that the socioeconomic consequences are assessed and included in the Commission's impact assessment. The European battery sector already represents 30,000 jobs, which need to be guaranteed if we want to develop a proper circular economy model. Along these lines, there are a number of questions that need answering. What does it mean for the current and future battery industry? What are the costs? What are the benefits? Which topics will be addressed? To our understanding, there is a broad variety of topics to be considered: raw materials sourcing according to the Organisation for Economic Co-operation and Development (OECD) guidelines, sustainability requirements, carbon footprint, the second life of batteries, performance, recycled content, collection rates, extended producer responsibility and battery passports.

All battery technologies use substances that have hazardous properties: for instance, lead, cobalt, nickel and lithium are commonly included in batteries. We need a legislative framework that moves from a hazard-based approach of banning substances to a secure and risk-based one.





In terms of the decarbonisation potential of batteries, it is important that future investments incentivise grid updates, energy storage and electric cars. The necessity of focusing now on dealing with the COVID-19 crisis needs to be balanced with the imperative of establishing a roadmap for an exit strategy. The post-pandemic period should not revert back to a carbonised society.

Instead, we should strengthen our commitments to build an environmentally- friendly society. For this to happen, support for all battery technologies - lead, lithium, sodium and nickel - is of paramount importance.

In this vein, at a recent virtual European Forum for Manufacturing, [EUROBAT](#) had the opportunity to present its recommendations to Members of the European Parliament from the key parliamentary committees, highlighting the need to support the production of all battery technologies in Europe. Different batteries serve different market segments, which means that there is no 'one-size-fits-all' battery. Furthermore, they all have a great innovation potential, as demonstrated by our recent '[Battery Innovation Roadmap 2030](#)'.

Read our full recommendations to policy-makers in our new position paper on the future [Batteries Regulation](#).

With that being said, what will happen after the Commission has presented its proposal? The European Parliament and Member States – through the Council – will both consider the new legislation, with amendments expected from both sides. After this process, the interinstitutional negotiations will resume. The negotiators of the three institutions – the Parliament, Commission and Council – will hold a series of meetings to reach agreement on a consolidated text, based on their respective positions. Given the size of the text and the level of secondary legislation expected, the discussions will likely occupy a considerable period of time and warrant a cautious approach. In this sense, a strong stakeholder voice is essential to achieve the best legislation possible.

(1) Avicenne Energy, 2020

