

Germany hopes to kickstart EU battery-making in 2019

November 13 2018



Germany wants to turbo-charge Europe's battery capacity

German economy minister Peter Altmaier said Tuesday Berlin would provide one billion euros (\$1.3 billion) of funding for electric car battery production by 2021, as talks with companies reach an advanced stage.

"In the coming months we want to create the conditions for batteries to be produced on a mass scale in Europe," Altmaier said after meeting European Union energy commissioner Maros Sefcovic in Berlin.

The close ally of Chancellor Angela Merkel added that "several consortiums are in the process of forming" with talks involving firms from France, Poland, the Netherlands and Austria.

Politicians have repeatedly called for battery-making capacity in the EU.

Altmaier said that the first results of the talks should emerge by year's end, with "concrete investment decisions" falling by the end of March 2019 ahead of a factory opening in 2021.

He aims for the EU to supply 30 percent of global demand by 2030 with "several production sites" in Germany and elsewhere.

EU carmakers currently buy cells from foreign manufacturers—mostly in Asia—before building them into the massive batteries needed to [power electric vehicles](#).

After years of scandal over diesel pollution and with tougher carbon reduction targets biting, most producers plan to renew their fleets with dozens of electric models in the coming years—setting demand for electricity storage soaring.

"According to available forecasts, the [battery market](#) in Europe could be worth 250 billion euros per year from 2025 onwards," commissioner Sefcovic said.

But while manufacturers acknowledge batteries' place at the heart of their future products, none has so far been willing to risk setting up a battery cell factory in Europe.

"The scale and speed of investment needed means no industrial actor, or EU country, can do this alone," Sefcovic said, promising an "Airbus of EU batteries".

In Airbus a pan-European aircraft manufacturer was created in 1970 that nowadays battles US-based Boeing for global dominance.

One step ahead of the government-driven initiatives is Chinese battery maker CATL, which announced in July a mammoth new factory in central Germany to supply European customers.

"We may not win the contest for the cheapest battery, but the contest for the best [battery](#) is still open and undecided, we can take on this competition," Altmaier said.

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Citation: Germany hopes to kickstart EU battery-making in 2019 (2018, November 13) retrieved 23 April 2024 from <https://phys.org/news/2018-11-germany-kickstart-eu-battery-making.html>

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