Press release

Battery cell production strengthens Europe as an industrial location

- Private investors need framework conditions that enable innovations in cell production
- VDMA study expects 155,000 new jobs to meet demand in Europe
- Mechanical and plant engineering supplies the required production technologies

Frankfurt, 27 November 2018 - The mobility of the future will be determined equally by a further optimized combustion engine and an expansion of electric mobility. This is demonstrated by the billions of euros in investment earmarked by European automakers for the expansion of e-mobility. According to the VDMA, a battery cell production of its own initiated by private investors in Europe would be a step of enormous importance in order to maintain technological leadership in the mobility sector and stationary energy storage. Europe should develop its own sovereignty in cell production. The success of machine and plant manufacturers in European cell production - and also globally - is determined by references and unique selling propositions. "Europe's strategic potential lies in a closed value chain," says Hartmut Rauen, Deputy Managing Director of the VDMA.

A study carried out on behalf of the VDMA also shows that the forecast European demand for battery cells could create a total of around 155,000 jobs. High transport and logistics costs for the import of battery cells from Asia ensure that the cells are manufactured in Europe. The jobs would be created both in the factories and in the upstream value chains. One fifth of these jobs are in mechanical and plant engineering.

"The battery as the heart of electromobility accounts for 40 percent of the added value of an electric car. The battery cell accounts for 70 percent. These
potentials can be exploited in Europe through successful cell production and the corresponding framework conditions," said Rauen. "Mechanical and plant engineering plays a key role in electromobility because it supplies the necessary production technologies and process innovations to make battery cell production competitive," explains the Deputy Managing Director of the VDMA.

Call for better framework conditions

The success of European battery cell production depends on good framework conditions that give private investors room for innovation and the development of the technology. "The state must not favor technologies and discriminate against others," stresses Rauen. The VDMA is therefore calling on politicians in Germany and Europe to take measures to stimulate innovation and investment, such as general declining-balance depreciation and the introduction of tax incentives for research. "It is important that private companies find Germany and Europe so attractive as a business location that they invest in battery cell production here," summarizes Rauen.

The short version of the study "Employment Effects and Value Chains in Battery Machinery and Plant Engineering" can be found here: https://battprod.vdma.org/viewer/-/v2article/render/26981623

A photo of Hartmut Rauen, Deputy Managing Director of the VDMA, can be found at: https://www.vdma.org/pressebilder-zum?articleId=811392

Do you have further questions? Dr. Sarah Michaelis, Head of VDMA Battery Production, Phone +49 69 6603 1930, sarah.michaelis@vdma.org, will be happy to assist you.

VDMA

The VDMA represents more than 3200 companies in the medium-sized mechanical and plant engineering sector. With 1.35 million employees in Germany and a turnover of 226 billion euros (2017), the sector is the largest industrial employer and one of the leading German branches of industry overall.

VDMA Battery Production

VDMA Battery Production is a department of the EMINT (Electronics, Micro and Nano Technologies) trade association. The department focuses on stationary and mobile high-performance energy storage devices of all technologies, with a current focus on lithium-ion technology. More than 70 committed member companies are already represented in the specialist department. Our members cover the entire process chain of battery supply: Material preparation, electrode and separator production, cell assembly, module production, battery pack production. The production requires machines, plants, machine components, tools and services from the most different ranges: From grinding, mixing and coating to assembly and handling technology and robotics.

Web: Battprod.vdma.org

About E-MOTIVE

The VDMA Electric Mobility Forum: E-MOTIVE brings together the expertise of more than 20 VDMA trade associations, forums and research associations. As a result, together they comprehensively cover the future field of electromobility from the point of view of mechanical and plant engineering. The forum is the central point of contact for all activities relating to electromobility and highlights the key position that mechanical engineering plays in the development of electromobility. Currently, 28 research projects of FVV and FVA are being carried out within the E-MOTIVE initiative.

Web: elektromobilitaet.vdma.org