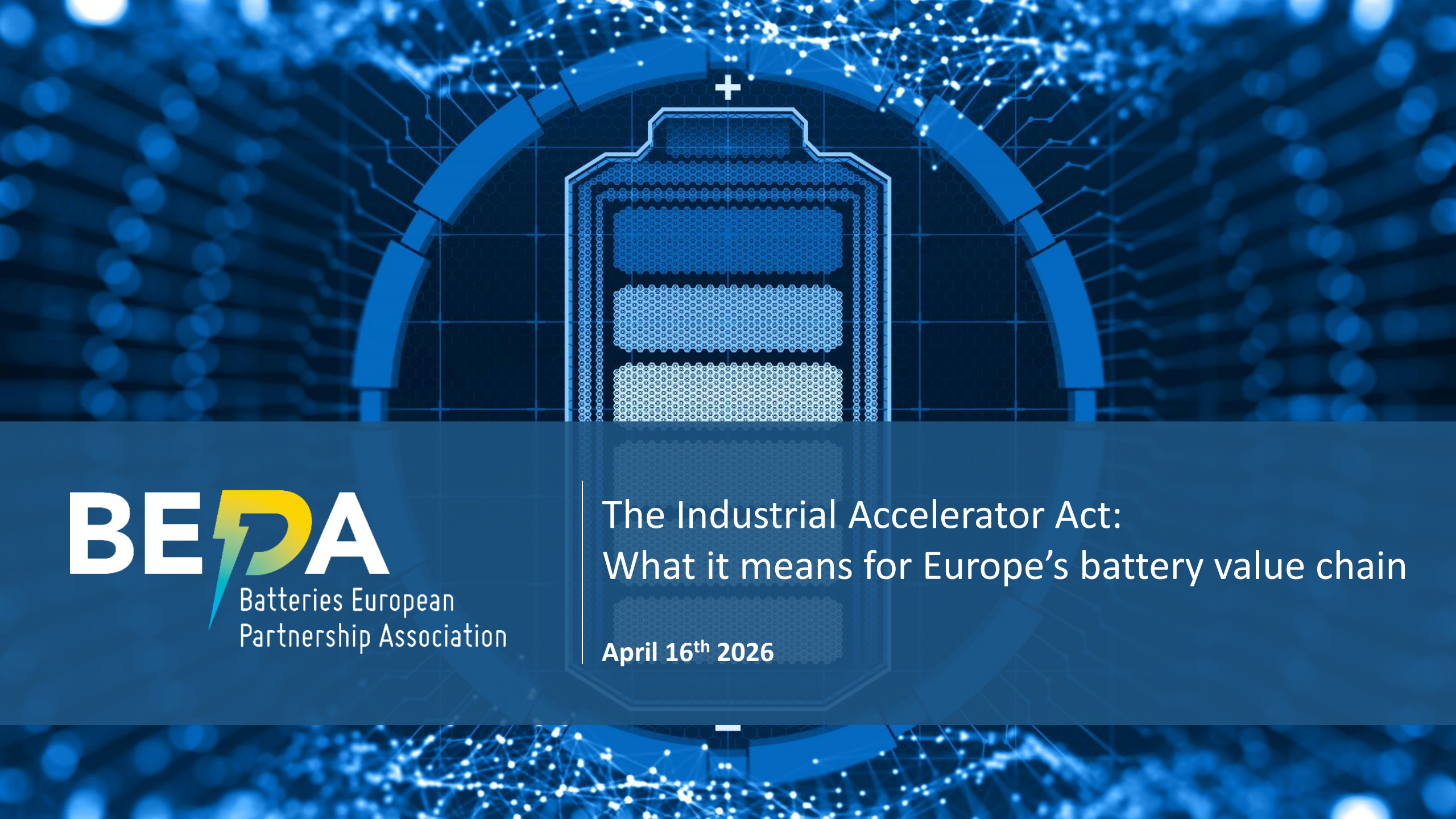


BEPA
Batteries European Partnership Association

The Industrial Accelerator Act: What it means for Europe's battery value chain

April 16th 2026

Welcome by BEPA

Elena Bonvecchio

Policy Officer
BEPA

BEPA
Batteries European Partnership Association

BEPA's key activities

Support the BATT4EU Batteries European Partnership

Deliver solutions for key European industries

Over 240 members from industry & research representing all parts of the value chain

Create a broad and excellent R&I community in Europe

Point the way forward for battery innovation in Europe

Providing cross-sectoral solutions for different mobility & storage applications

Provide a launchpad for battery startups

Hosting one of Europe's leading strategic battery events

BEPA Batteries European Partnership Association

BATT4EU Partnership

BEPA
Batteries European Partnership Association

Private side of the Batt4EU Partnership

Representing over **250 stakeholders** from Industry and Research

925 Mil. Euro In-kind Investment in Battery R&I

Representing **all parts of the battery value chain**

Organizing **networking events**

Facilitating **innovation uptake**

BATT4EU
Batteries European Partnership

Setting the European **battery R&I agenda**

Development of **Horizon Europe Work Programme**

Monitoring the **progress of battery sector** & Horizon Europe Projects

European Commission

Public side of The Batt4EU Partnership

Representatives of DG RTD, DG CLIMA, DG GROW, JRC, etc.

925 Mil. euro funding for Horizon Europe battery projects

BEPA Policy Task Force

- **Monitoring and analysing current EU-level policies and instruments** related to funding and financing of R&I and deployment (industrialization).
- **Providing recommendations** for improvement to the relevant stakeholders.
- **Informing BEPA members** about EU funding and the financing landscape for batteries R&I and deployment.
- **21 members** from all different BEPA membership categories: industry, associations, research, startups

Launched in mid-2025, the BEPA Policy Task Force counts 21 members engaging in discussions and providing feedback on the documentation related to funding and financing instruments

Elena Bonvecchio
Policy Task Force Lead
e.bonvecchio@bepassociation.eu

Joan Gonzalez Fabra
Policy Task Force Co-Lead
j.gonzalez @bepassociation.eu

BEPA Batteries European Partnership Association

Webinar Agenda

10:00-11:30, 16 April 2026

- **Welcome and introduction**
- **Understanding the Industrial Accelerator Act: A battery value chain perspective**
- **Industry and policy perspectives on the Industrial Accelerator Act: Implications for batteries**
- **Q&A**
- **Concluding remarks**

BEPA
Batteries European Partnership Association

Understanding the Industrial Accelerator Act: A battery value chain perspective

Ilka von Dalwigk

Director General

RECHARGE

BEPA Batteries European Partnership Association

RECHARGE

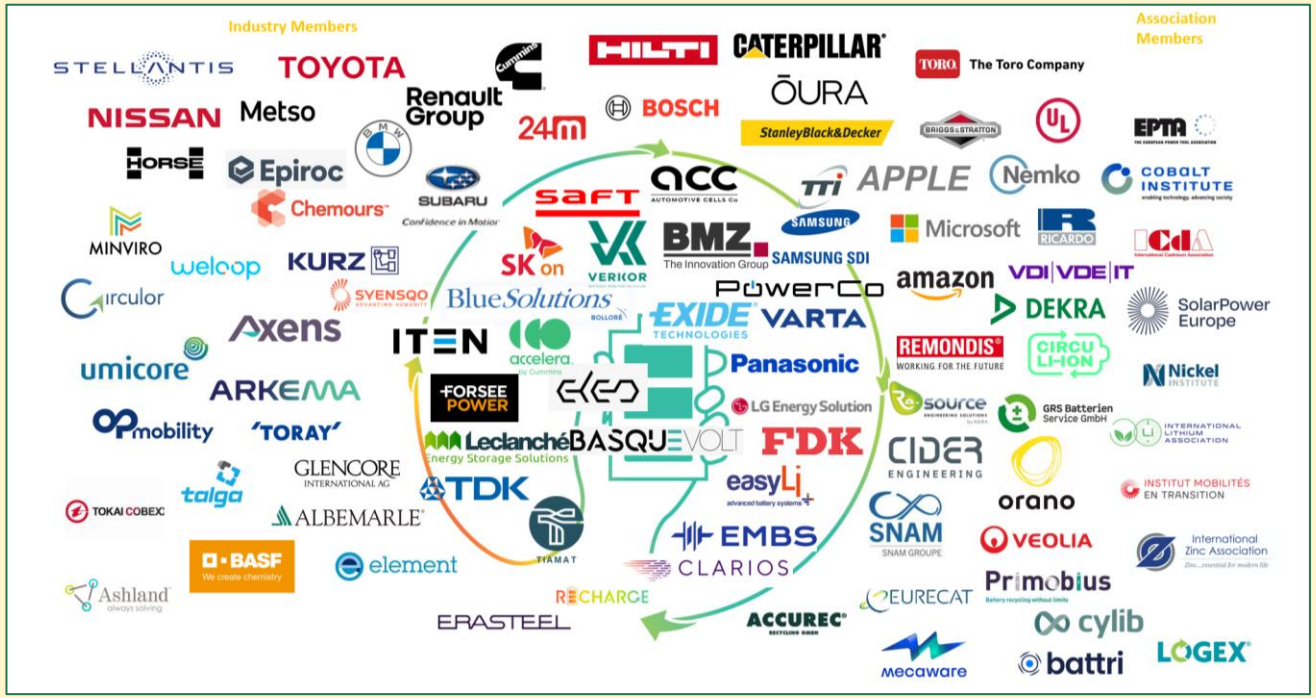
Market outlook for the European battery industry

Ilka von Dalwigk

16 April 2026

RECHARGE- A member-based industry association covering all steps of the advanced rechargeable & lithium batteries value chain in Europe

RECHARGE



Our Mission

Founded in 1998, we drive the advancement of rechargeable battery technology to:

- ✅ Empower industries and innovation
- ✅ Foster a sustainable & circular economy
- ✅ Ensure the prosperity & competitiveness of the European battery sector

Raw Materials Suppliers → Materials Producers → Manufacturing Equipment Producers → Cell and Battery Manufacturers → Original Equipment Manufacturers → Logistic Partners → Battery Recyclers

The Future is Electric

In addition to Electric Vehicles, other **modes of mobility** are rapidly transitioning

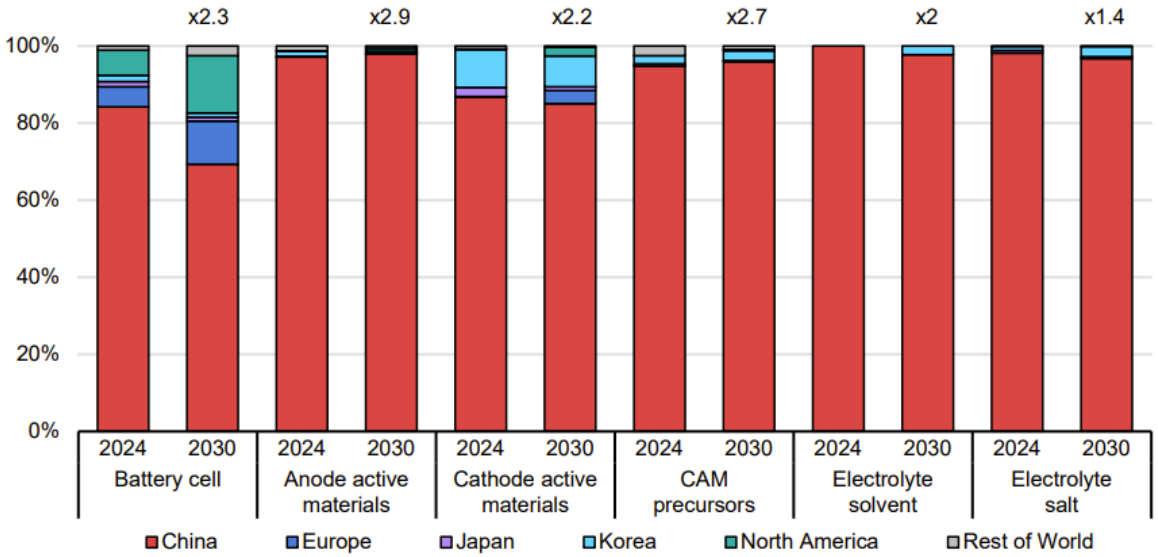
The future of grids relies heavily on performant and cost-effective batteries

Batteries power **future tech industry**

Cutting-edge batteries power **Europe's defence**

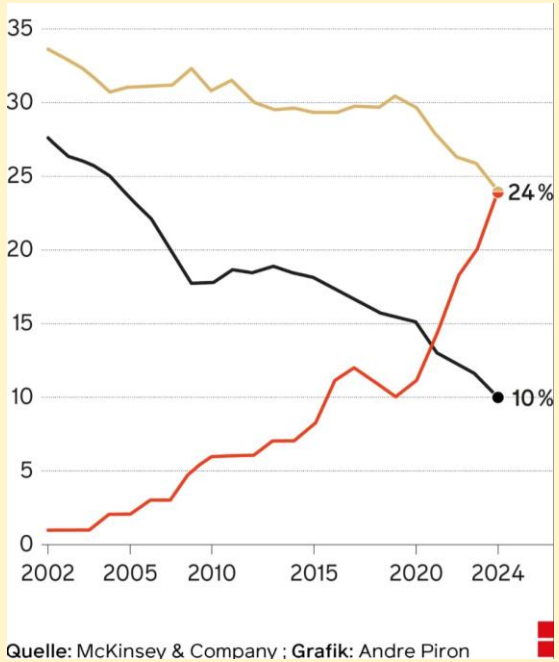
But who will Power the electrical transition?

Share of existing and committed nameplate manufacturing capacity for lithium-ion battery cells and components by region, 2024 and 2030



IEA Analysis, data from April 2025

Global Market Share of Passenger Cars by Brand Origin (All Drive Types)



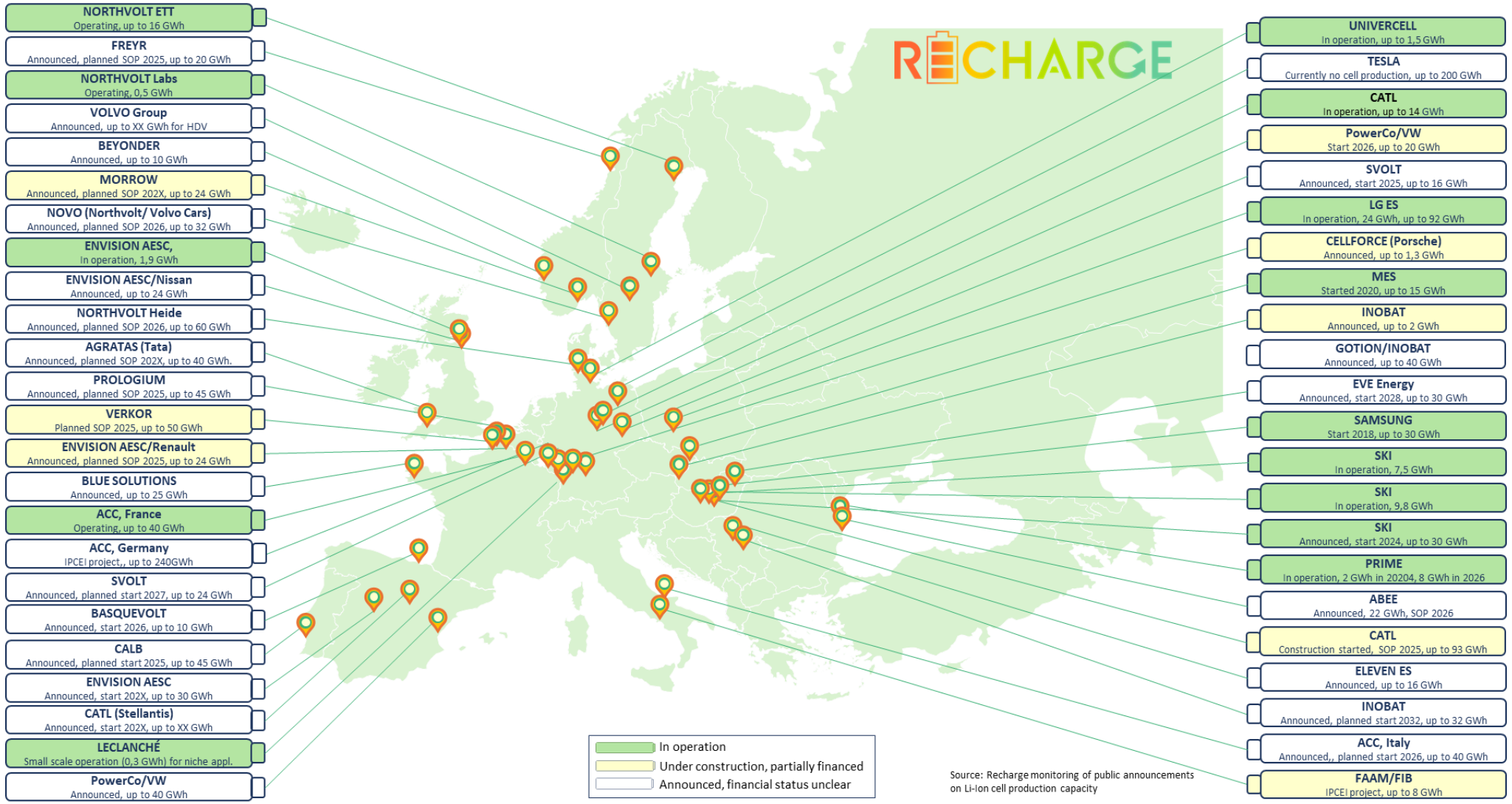
The graph compares how the global market share of passenger cars has evolved over time across three brand categories:

1. **Established European Car Brands**
(includes: VW, Skoda, Seat, Audi, Porsche, BMW, Mercedes, Fiat, Opel, Renault, Peugeot, Citroën)

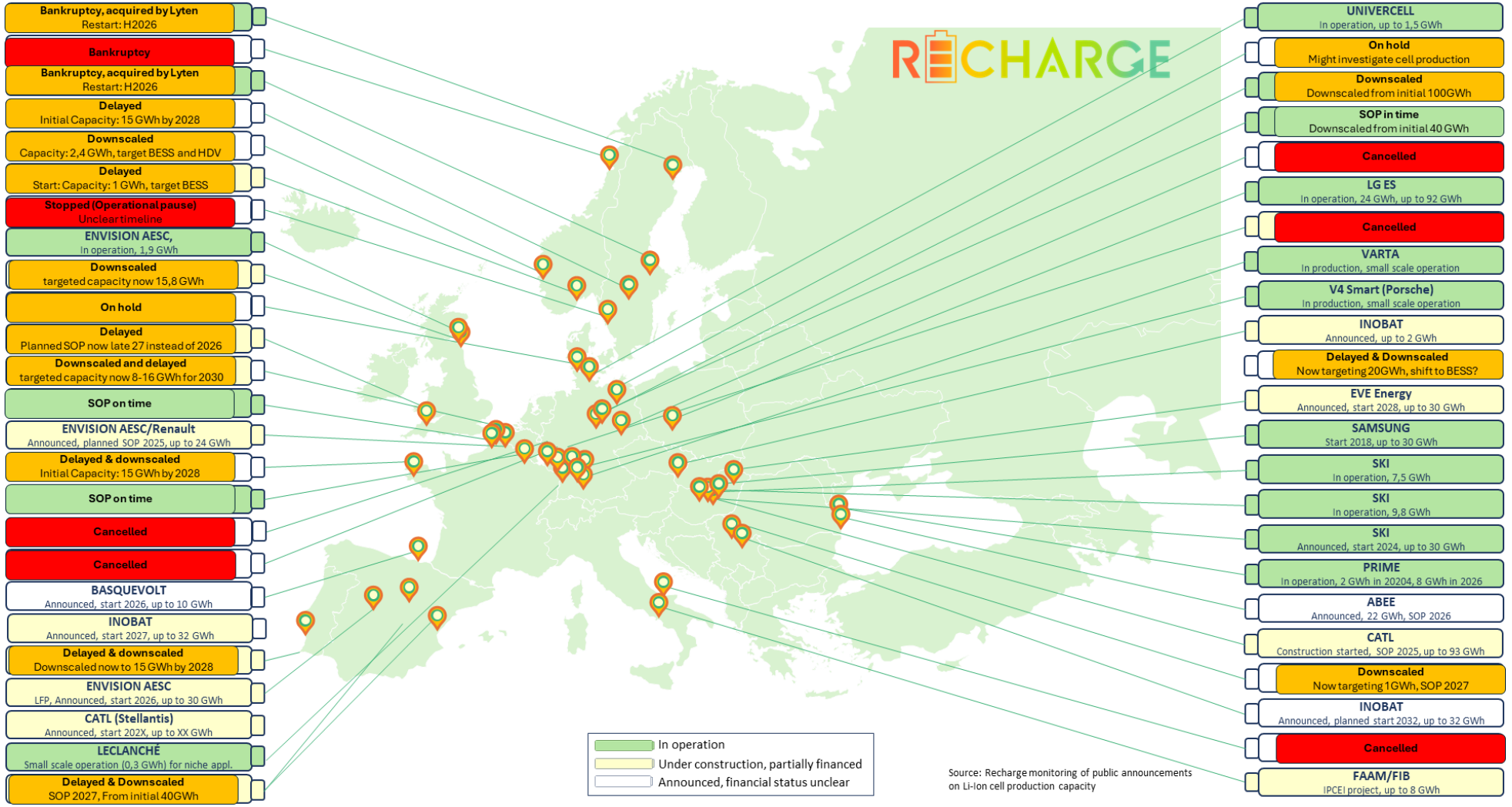
2. **New Electric Car Brands from China and the USA**
(includes: Tesla, BYD, GAC Aion, Hozon, NIO, Li, Lucid, Rivian, Polestar, WM, Xiaomi, Changan, Chery)

3. **Established American Car Brands**
(includes: Ford, Chevrolet, GMC, Buick, Cadillac, Chrysler, Dodge, Ram, Jeep)

A Promising Start...



...Caught up by Reality



But is all lost already?

Varta emerges from restructuring procedure with fresh capital

Lyten secures $200 million to buy Northvolt assets to accelerate shift European BESS push

Following its earlier acq
to further accelerate its
systems (BESS).

Fresh start after insolvency: CustomCells refocuses its strategy

Following its rescue by
restructuring measures
realigning its focus. Mo
defense and motorspo

Verkor opens 16 GWh battery cell factory in Dunkirk

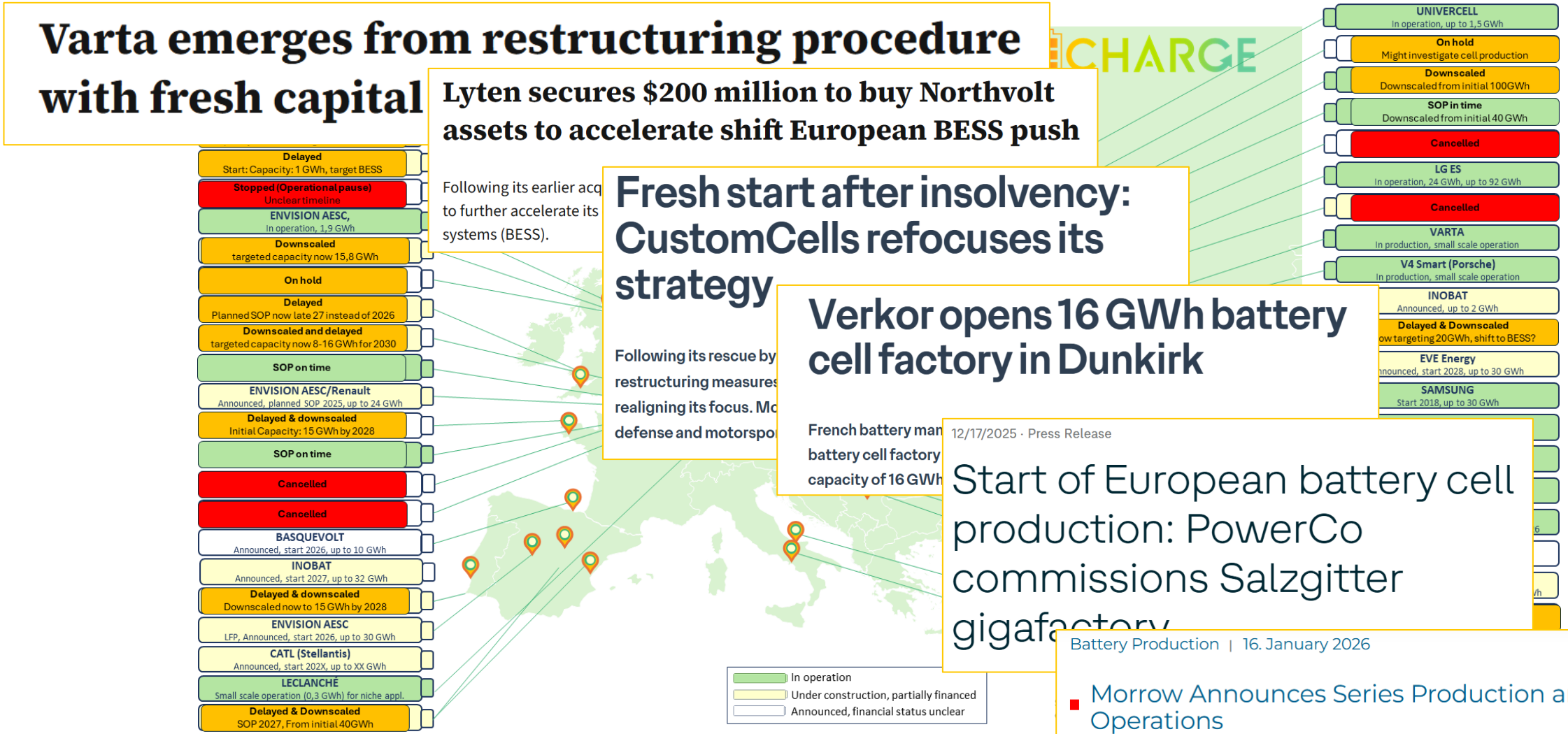
French battery man
battery cell factory
capacity of 16 GWh

12/17/2025 · Press Release

Start of European battery cell production: PowerCo commissions Salzgitter gigafactory

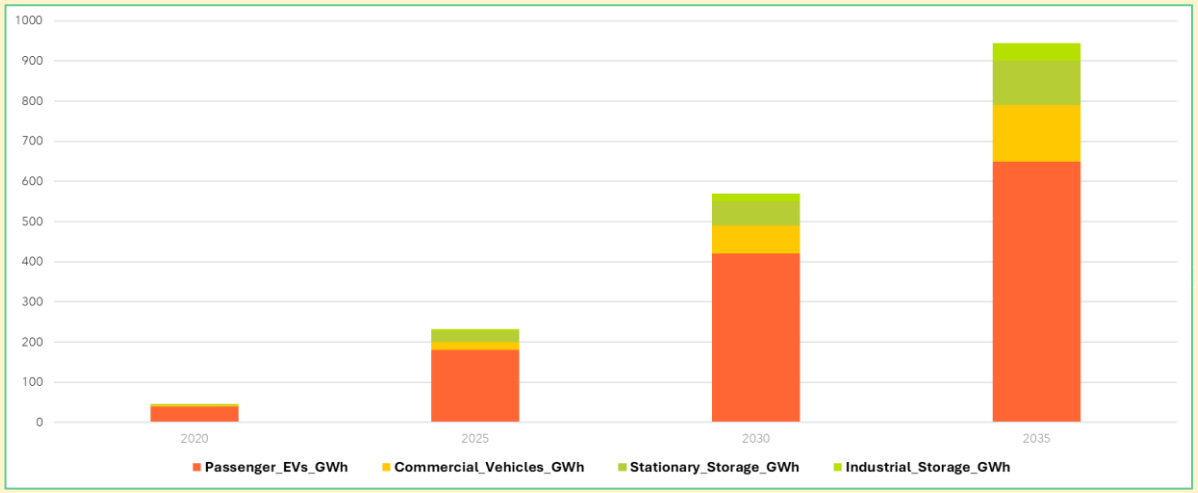
Battery Production | 16. January 2026

Morrow Announces Series Production and Restructured Operations



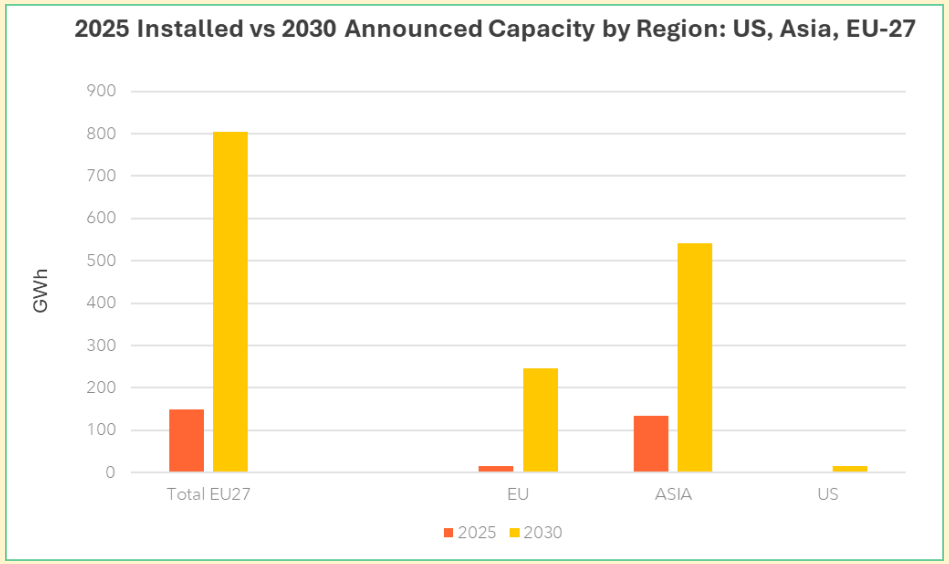
It is now or never- European cell manufacturers still have a credible - but time-sensitive - opportunity to take market shares

EV's are still driving the demand for batteries in EU- but new applications starting to grow



Source: Indicative EU demand trajectories based on IEA, SolarPower Europe, ACEA and EU policy modelling; values are stylised estimates.

Estimation of announced cell production capacity EU-27

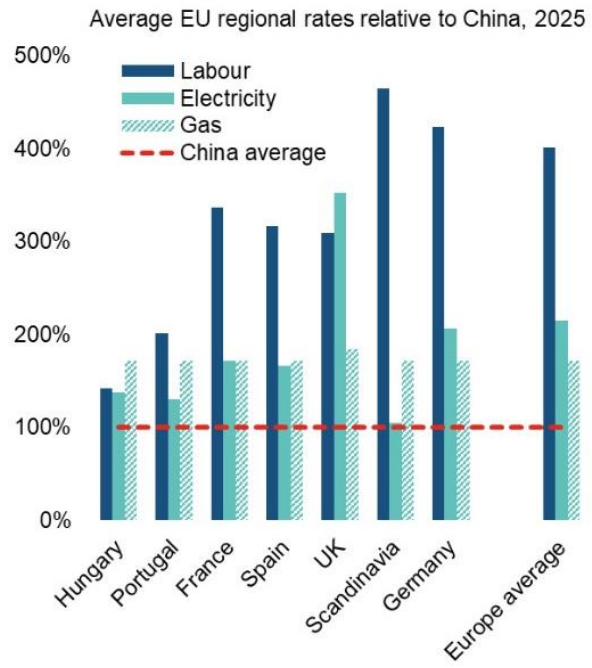


Source: Indicative estimation based on monitoring of public announcements

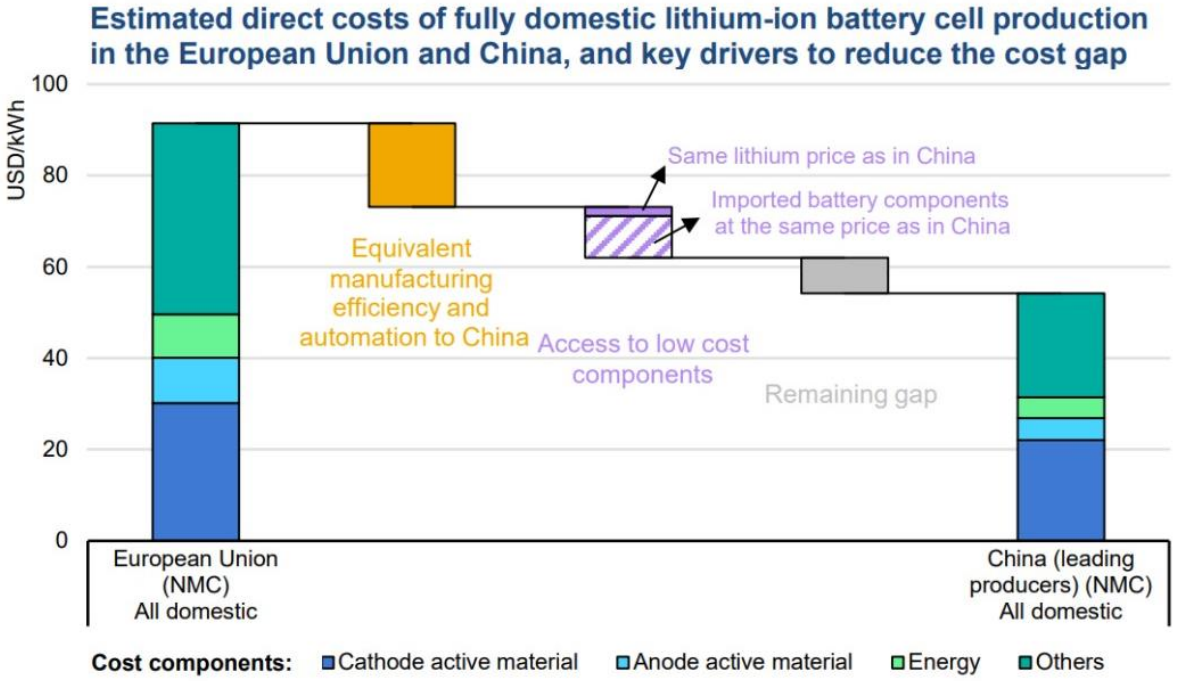
How can we close the gap?

Energy and labour costs are inherently higher than China, depending on the region [1]

Example: Europe



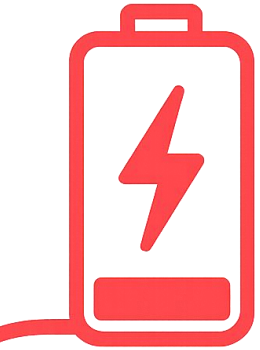
...but there are realistic pathways to cost reduction, through location choice, factory automation, higher yields, and cheaper materials [2]



- Increase manufacturing efficiency and automation to reduce production costs and accelerate learning-by-doing.
- Secure diversified and resilient mineral supply chains, supported by recycling and long-term partnerships with producing countries.
- Achieve scale effects by driving strong EV demand and ramping up domestic production.
- Build domestic battery manufacturing and skills, sharing scale-up risks through partnerships and developing a capable workforce.

Source: 1) CRU; 2) IEA

A Battery Deal for Europe - A Holistic Approach To Ensure The Growth Of A Robust EU Battery Ecosystem



Status of the EU battery industry today-critical

Innovate

- Continue investing in R&D for advanced battery technologies, but also to diversify supply chains
- Launch a standalone and expanded battery R&D partnership (BATT4EU 2.0) covering the full value chain, all chemistries, all applications

Produce

- Launch ramp-up and scale-up support to boost local battery production capacity through output-based OPEX aid and targeted CAPEX across the full value chain.
- Launch the Battery Booster to channel long-term EU Competitiveness Fund financing into infrastructure, incentives, and strategic demand

Buy

- **Adopt harmonised local content requirements** to boost European production across the full battery value chain and anchor industrial activity in Europe
- Embed these requirements into key instruments (Innovation Fund, Battery Booster, NZIA, CRMA) to turn strategic demand into industrial strength

Secure

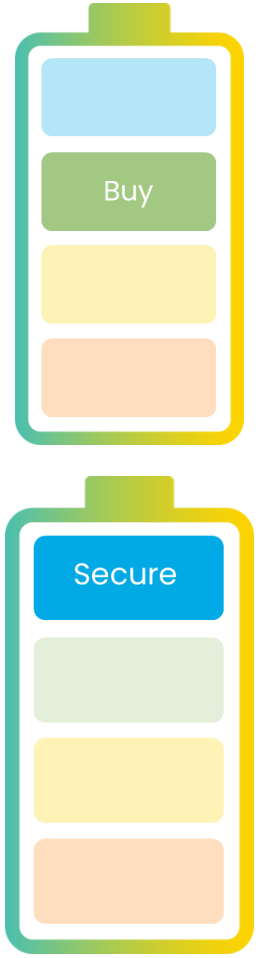
- Establish fair competition and international relations to protect the infant European battery industry
- **Establish minimum value creation requirements for foreign investments** in the EU

Our vision: A fully charged EU battery ecosystem

Join the
A BATTERY DEAL FOR EUROPE

Visit www.batterydeal.eu to sign your support

IAA – “Made in Europe”



- The Act was adopted on 4 March.
- The IAA aims to Strengthen the EU’s industrial leadership in strategic sectors, preserve and create around 150 000 jobs in key industrial sectors, and accelerate industrial decarbonisation investments through low-carbon and Made in EU provisions in public schemes and procurement.
- Ambition to increase the share of manufacturing in EU GDP from 14.3% in 2024 to 20% by 2035

I. **1st measure**: **EU preference** when taxpayers money is used – covering clean tech sectors as well (incl. batteries); using public procurement and public incentives to boost demand for EU clean tech industry and products
   Min. number of components to be originating: It defines Union Originating Requirements for Battery Energy Storage Systems and EV batteries for public procurement, public incentives/demand-side measures..
   Defines what “Union-originating” means. Trusted Partners need to accept reciprocity – same treatment for national Preferences

II. **2nd measure**: **FDI rules** change to bring added value to the EU territory. 4 conditions needs to apply out of 6. Targeting large foreign investments (>100 million) in batteries, EVs, solar PV, and critical raw materials generate max. added value for the EU economy

III. **3rd measure**: speed up industrial permitting with different measures (one-stop shop, Industrial Acceleration Areas)

Thank you!

Ilka von Dalwigk
ilka@rechargebatteries.org

RECHARGE aisbl
168, Avenue de Tervueren
1150 Brussels, Belgium
+ 32 2 777 05 60

recharge@rechargebatteries.org
www.rechargebatteries.org
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View what's important for batteries

Understanding the Industrial Accelerator Act: A battery value chain perspective

Xavier Sol

Sustainable Finance Director

T&E

BEPA Batteries European Partnership Association

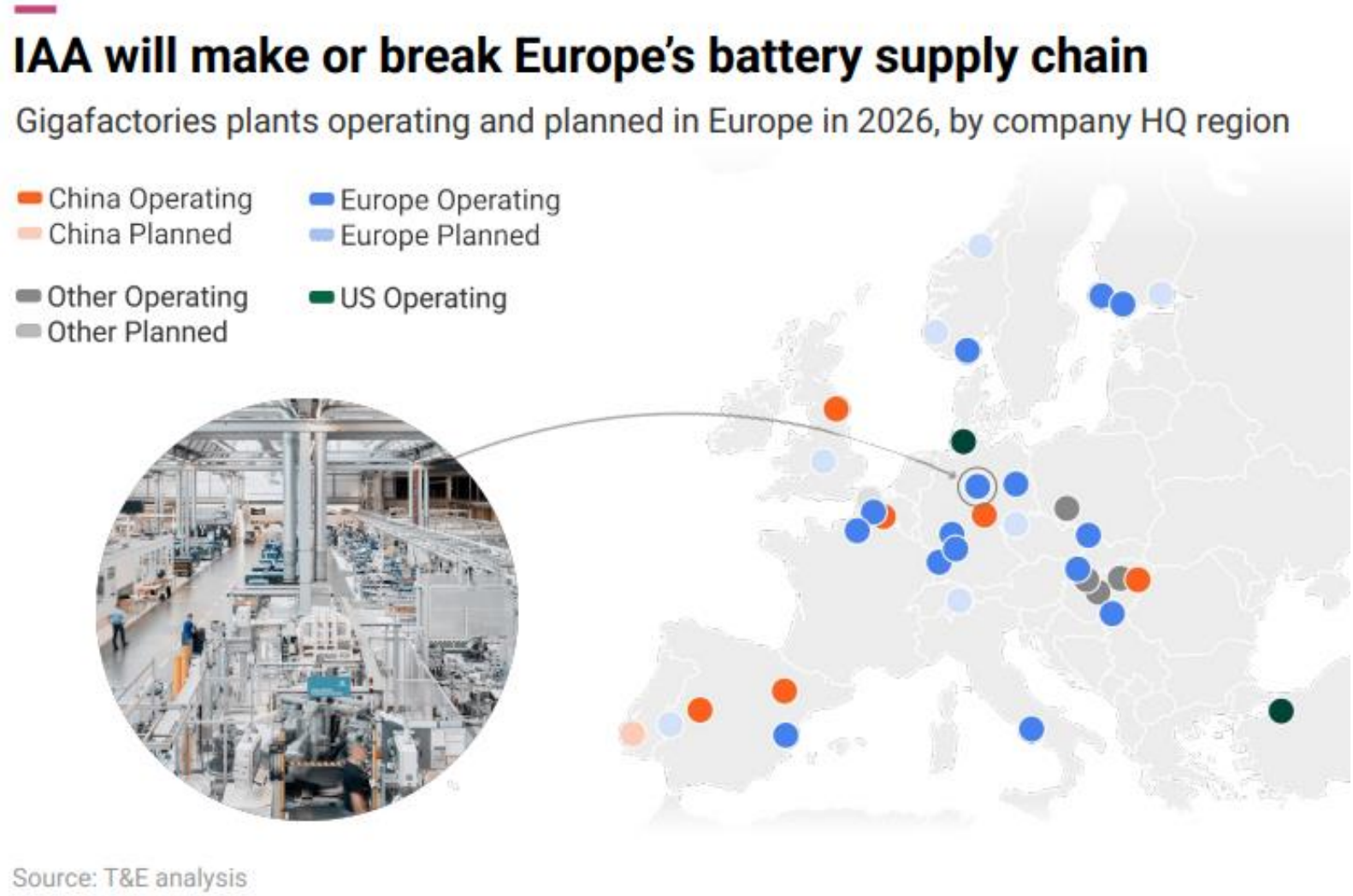
Industrial Accelerator Act

T&E on Made in EU EVs & batteries

2026

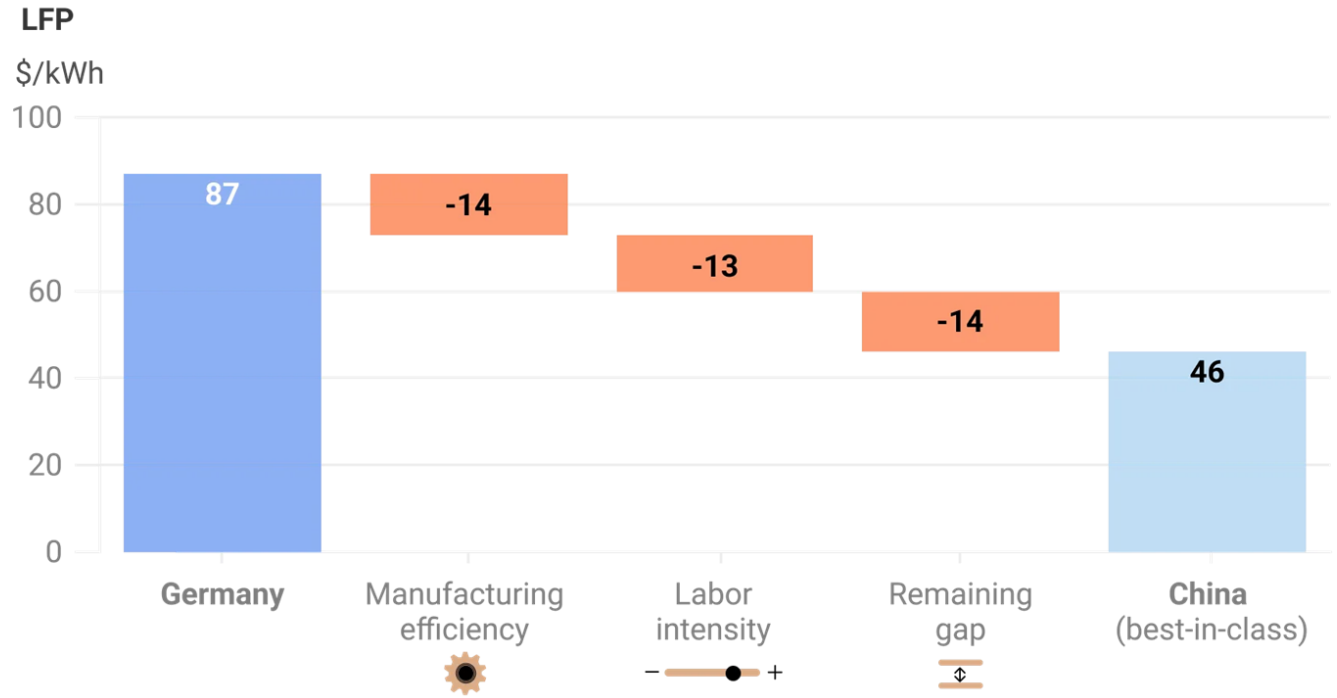
T&E

IAA will make or break Europe’s battery supply chain



Local content reduces higher prices thanks to scaling effect

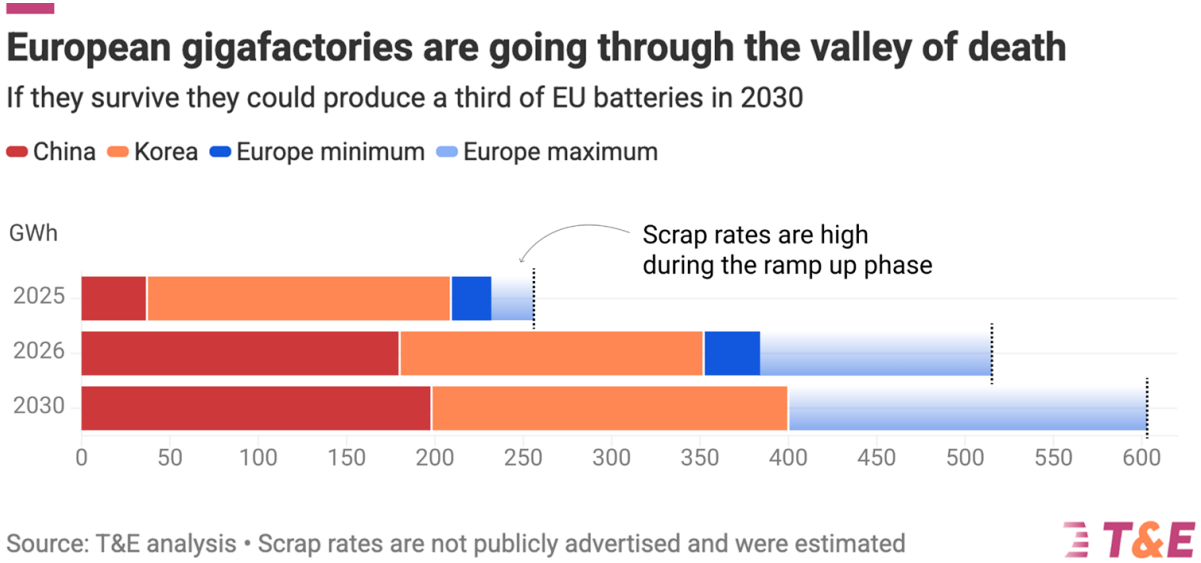
Efficiency and automation can reduce the cell production cost gap between Europe and China in 2030



Source: T&E calculations based on BNEF's BattMan model and IEA. Manufacturing efficiency refers to scraps and (un)planned production line downtime; Labour intensity relates to level of automation and worker know-how

Consolidate support for Made-in-EU batteries

Component-based approach a solid starting point



- **KEEP progressive requirements**
  - 3 components by 2027 (incl. cells)
  - 5 by 2030 (incl. Cells, CAM and BMS)

BUT

- Needs full value chain approach
- No local mineral, recycling or cathode industry without a key mid step: **precursor active material** (pCAM)
- **Include pCAM and local recycled content**

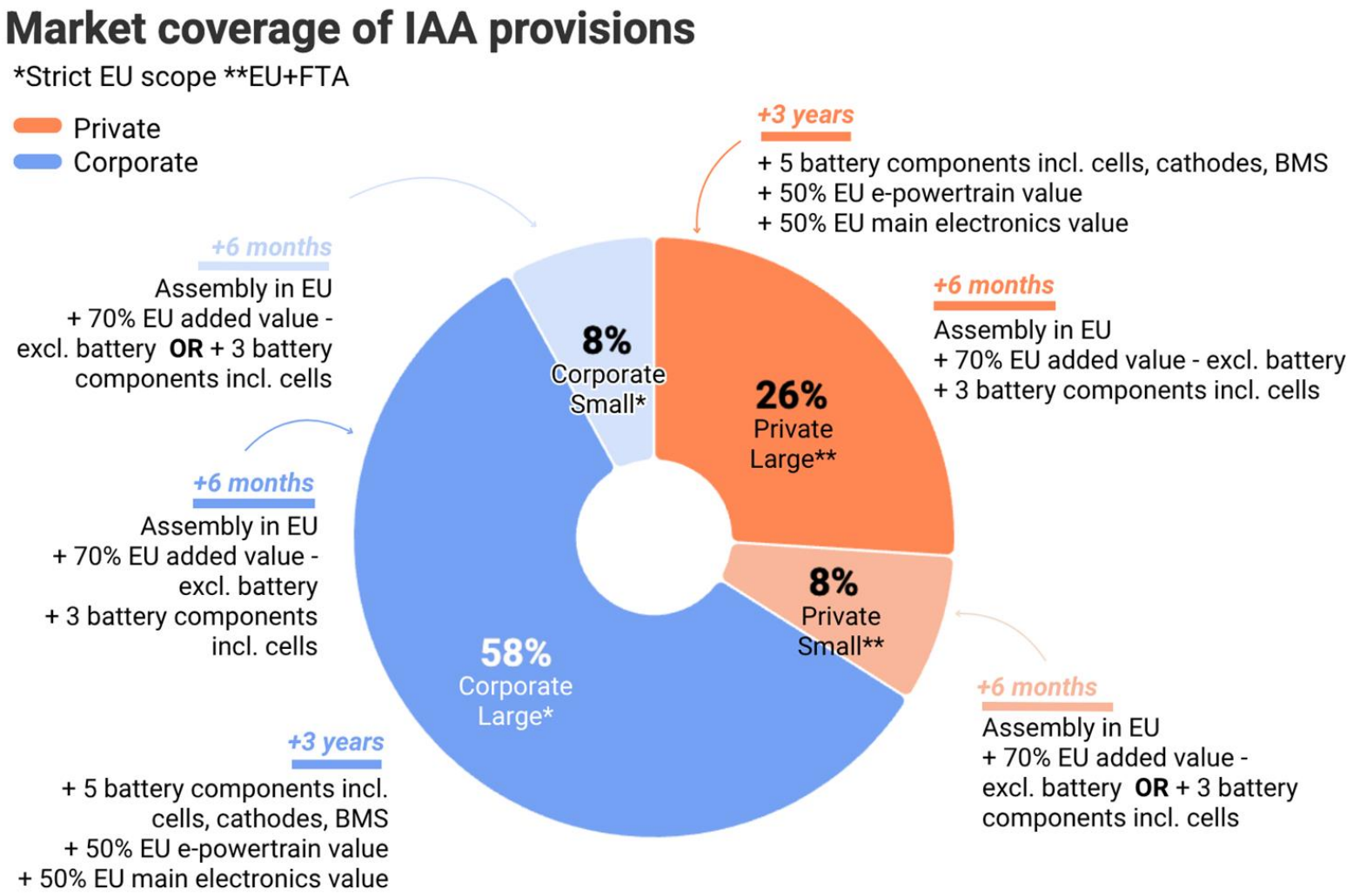
T&E

Union content incentives for auto industry

Corporate channel key to local battery offtake:

- >60% of EV sales
- Large enough offtake for battery & component makers

Key to keep in final law



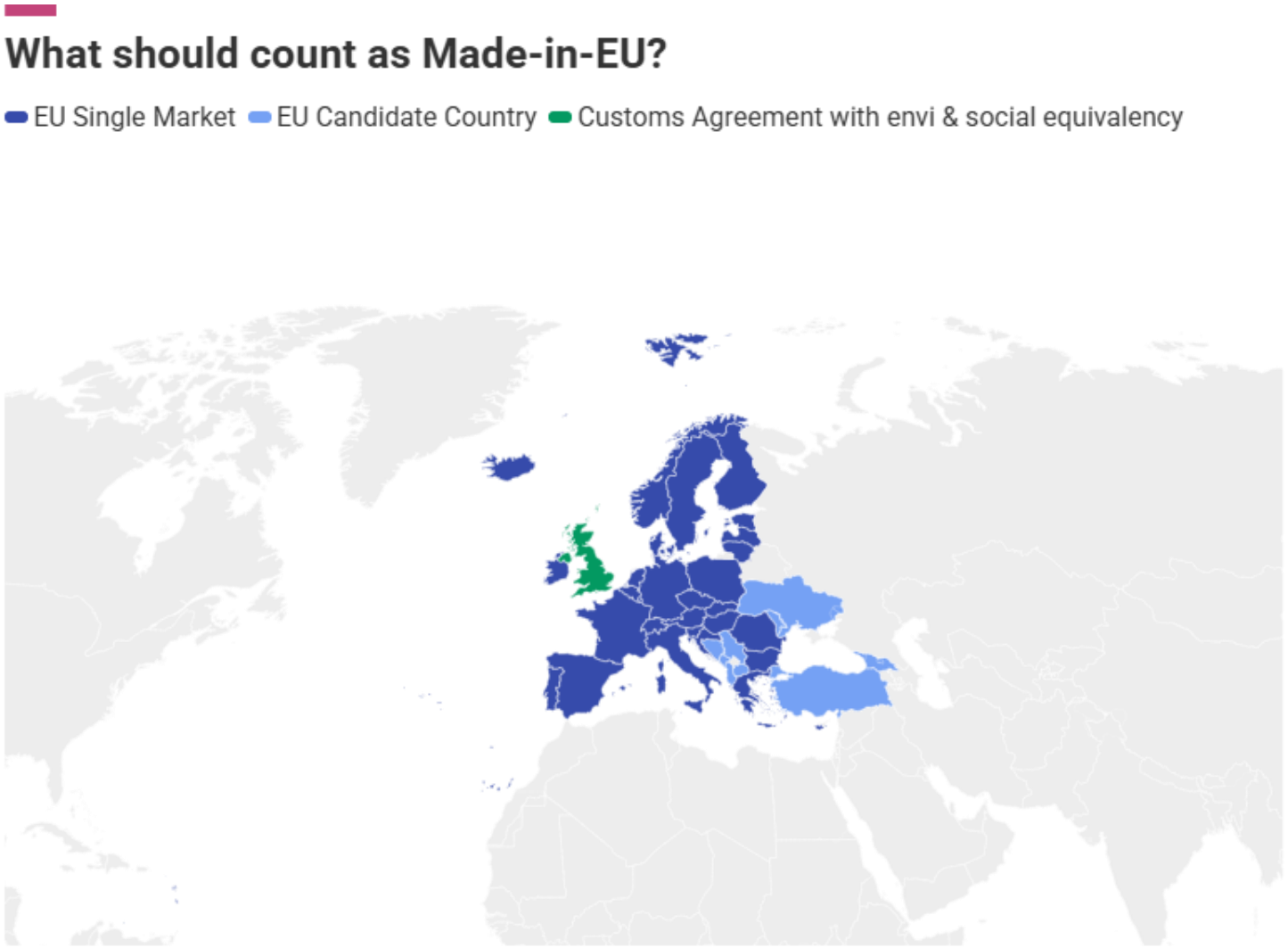
Source: Dataforce • Scope: BEVs & PHEVs

Made with value in or outside Europe?

Including all FTAs makes IAA largely futile.

Better solutions:

- EEA + trusted partners case by case (“EU+”)
- EU Single Market, candidate countries + the UK
- Batteries/components - EU. Minerals - partners/FTA



Source: European Commission, DG Trade

Eligibility criteria of small BEVs

- Current draft risks **Europe giving up on LFP batteries**. Small BEV with battery from China would qualify for schemes.

- **Supercredits & public support only if small BEV battery is Made-in-EU**

Small EV bestsellers are not all Made-in-EU

European small EV bestsellers	Assembled in Europe	Battery made in Europe
Smart forfour	✓	✗
Renault Twingo	✓	✓
Seat Mii	✓	✓
Skoda Citigo	✓	✓
Volkswagen Up!	✓	✓
Smart fortwo	✓	✗
Alfa Romeo Junior	✓	✗
Fiat 600	✓	✗
Fiat Grande Panda	✓	✗
Alpine A290	✓	✓
Renault 4	✓	✓
Renault 5	✓	✓
Opel Mokka	✓	✓
Opel Corsa	✓	✓
MINI Aceman J05	✓	✗
Lancia Y/Ypsilon	✓	✗
Peugeot 206/207/208	✓	✓

Source: GlobalData

Exemptions make the whole law optional

Exemptions if **30% cost difference + "unavailability of components"**

- Many component (eg CAM) projects high-risk without further policy
- Too easy for Member States to discard Union content incentives

➢ Cost difference must be on final product/vehicle

➢ Delete "unavailability" provision

Europe needs to increase its cathode production

Projected production volumes in 2030 (kt)

Source: T&E modelling and Benchmark minerals.

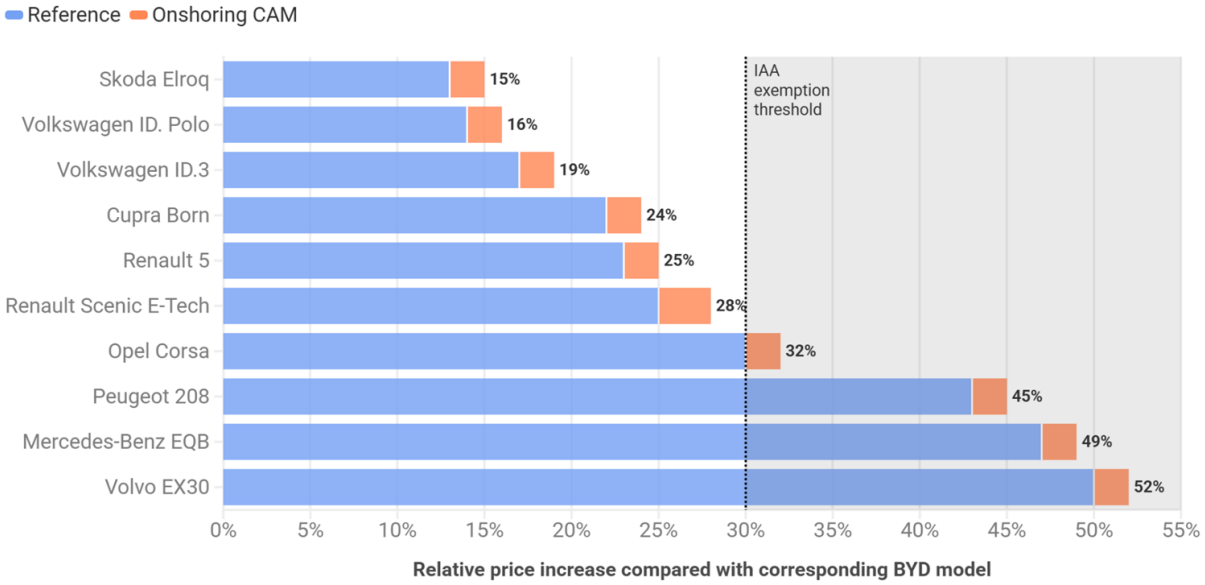
Focus on electric tech stack instead of tyres and seatbelts

- **Focus on what's really strategic in EV**
  - **Strategic: Electric tech stack** - the strategic heart of a vehicle (Battery, electric motor, e-powertrains and electronics)
  - Ancillary components (tyres, seats, doors) not strategic

- **Redesign the 70% EU value creation target for vehicles**

Some European EV bestsellers exceed the current 30% price gap threshold for IAA exemptions when compared with BYD

More would be at risk if CAM production is onshored



Source: T&E analysis, Autovista, GlobalData

FDI provisions must cover all key investments

- **Keep current conditions but improve local sourcing**
  - “Demonstrating endeavours” too vague
  - Instead: obligation to **source 50% locally**

- **Cover cumulative investment over previous 36 months**
  - Most critical investment **announced but not built**
  - Skills, sourcing & expertise sharing critical in implementation phase

Comparison of EU vs American joint ventures with Chinese companies

	VW + Gotion Partnership	Gotion + Inobat JV	Stellantis + CATL JV	Tesla + CATL (US)
Ownership structure	VW holds 26.47% in Gotion	Gotion: 80% | Inobat: 20%	Stellantis: 50% | CATL: 50%	100% owned by Tesla (incl. equipment)
IP or technology transfer provisions	“Limited”	Some	✗	✓
Local supply chain	✗	✗	✗	✗
Local workforce	Local R&D centre	Some, incl local schools	No known provisions	✓
Equal decision-making (e.g. voting rights) on battery side	✗	✗	✗	✓

Source: Carbonne4, expert interviews & T&E.

T&E key recommendations

1	Ensure only corporate EVs made with local batteries and components (Made in EU, not FTA) can access purchase/tax incentives.
2	Remove cost and unavailability exemptions, and ensure small EVs also need a local battery to qualify for public support. Focus on strategic (battery, e-motor, e-powertrains & electronics) rather than ancillary components.
3	Cover the whole value chain = add precursor active material & recycled content on top of battery component list.
4	Keep FDI provisions but apply to cumulative investment >€100ml over past 36 months.

T&E

Panel discussion

Industry and policy perspectives on the IAA: Implications for batteries

moderator

Joan Gonzalez Fabra
R&I Policy Officer
BEPA

Ilka von Dalwigk
Director General
RECHARGE

Xavier Sol
Sustainable Finance Director
T&E

Albéric Mongrenier
Executive Director
EIES

Jacek Truszczyński
Head of Unit Net Zero Industries
DG GROW European Commission

BEPA
Batteries European Partnership Association

THANK YOU!

info@bepassociation.eu

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