

## Press Release - Draghi report: E-Mobility sector endorses urgency of EU competitiveness reform

For immediate release – Monday 9 September 2024

*Europe's e-mobility association (AVERE), endorses Mario Draghi's findings today on Europe's growing e-mobility competitiveness gap. From vehicles to batteries to materials, Europe faces rising competition pressures from China and other regions, requiring policy urgency to keep domestic manufacturing goals on track.*

Chris Heron, AVERE's Secretary General, commented: *"The EU's 2035 zero emission car sales target has created a lasting opportunity for Europe building up a full e-mobility ecosystem, including electric vehicles, batteries, materials, infrastructure, and services. European companies have committed to this opportunity with investment and innovation, but today our value chain faces major headwinds from intense global competition. The Draghi report is right in calling for an urgent and paradigm-shifting EU industrial policy"*

To make its electric vehicles transition a full success, Europe needs to keep its automotive sector thriving while seizing the added economic benefits from building up a domestic batteries supply chain, charging infrastructure, and related services. The EU's 2035 CO2 limits must stay the important foundation for securing new investments across this ecosystem.

As well as today's documented challenges for vehicle manufacturers, European supply chain investment plans face major challenges. Although the continent has a pipeline of 1.7 TWh battery projects that could theoretically be operational by 2030, over 220 GWh of projects have been delayed or cancelled since the start of 2024. Europe must also fix its midstream gaps in raw materials refining, precursor, and cathode manufacturing.

Europe's capital and operating costs are still far higher than its rivals, especially after recent subsidy programmes. Building an EU battery factory is 47% more expensive than in China, with 70% high operating costs<sup>1</sup>. The US IRA's tax credits have helped to bridge this gap for US investments, but until now the EU has not delivered its own equivalent support package.

Chris Heron continued: *"We echo Mario Draghi's call for game-changing EU action. Two years ago, the US turbocharged its clean technology investments through the Inflation Reduction Act. **The EU's Clean Industrial Deal needs to be just as revolutionary for Europe to seize all its e-mobility opportunities.** Now we have the right diagnosis, we must work with speed on the cure"*.

*"The next two years are critical to Europe securing competitiveness and final investments. Hundreds of thousands of new jobs will either be created here or captured by our competitors. **The future is definitely electric - we firmly believe it must be European too.**"*

AVERE calls for the EU's Clean Industrial Deal to focus on incentivising the full ecosystem for electric vehicles – with the 2035 CO2 targets as its compass for investment.

As well as effective EU-level finance sufficient for addressing all supply chain bottlenecks, Europe needs dependable incentives to keep people buying and using electric cars, more regulatory consistency, programmes to develop the necessary skills base, a grid strengthening strategy, and a stronger global agenda to secure raw material supplies.

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<sup>1</sup> *Transport & Environment: An industrial blueprint for batteries in Europe (2024)*

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**About AVERE:** *AVERE is the united voice for Europe's e-mobility ecosystem, with a membership covering the entire e-mobility ecosystem of vehicle manufacturers, infrastructure, the supply chain, services & users.*