

(English version)

**Question for written answer E-001462/24
to the Commission
Mathilde Androuët (Pfe)
(31 July 2024)**

Subject: Commission's recommendations for overcoming the crisis in the electric vehicle sector

According to the ACEA ⁽¹⁾, sales of electric vehicles in the EU have plunged by 16% since the beginning of 2024 and by 30% since May 2023, mainly owing to their high price, the problem of their limited range and recharging difficulties ⁽²⁾. This lack of interest, coupled with the inability of EU countries to agree on the additional customs duties that the Commission wished to levy on electric vehicles manufactured in China ⁽³⁾, is having knock-on effects. The many projects to build 'gigafactories' for European electric car manufacturers so as to rid ourselves of our dependence on China have now been cancelled or postponed by major conglomerates such as ACC ⁽⁴⁾, PowerCo ⁽⁵⁾ and Northvolt ⁽⁶⁾. The latter now considers it more attractive to invest in the USA, in particular because of the subsidies promised under the IRA ⁽⁷⁾. What is more, car companies are now calling for LIP batteries ⁽⁸⁾, which cost 30% more to produce in Europe than in China ⁽⁹⁾.

1. What does the Commission recommend should be done to get us out of this impasse?
2. Is the objective of phasing out sales of internal combustion vehicles by 2035 sustainable as things stand?

Submitted: 31.7.2024

**Answer given by Executive Vice-President Vestager on behalf of the European Commission
(21 November 2024)**

Despite a stagnation in the uptake of new battery electric vehicles (BEV) in certain Member States, BEVs have a market share of 12.5% in the EU ⁽¹⁾.

The EU has a robust policy framework in place for the transition to zero-emission mobility by setting binding and predictable carbon dioxide targets for vehicle manufacturers, in Regulation (EU) 2019/631 ⁽²⁾, complemented by other measures aimed to ensure a sustainable and fair transition ⁽³⁾.

By the end of 2025, the Commission will submit a report to the European Parliament and to the Council on the progress towards zero-emission road mobility and will on this basis review the regulation in 2026.

The EU also provides substantial financial support for the battery manufacturing and transformation of the industry to BEV along the whole value chain ⁽⁴⁾.

In 2023, to speed up investment decisions, the Temporary Crisis and Transition Framework ⁽⁵⁾ introduced the possibility for Member States to support with aid investments for batteries manufacturing.

The EU has 30 battery gigafactory projects with a total manufacturing capacity of 167 Gigawatt hours installed and is preparing further action to cope with the new challenges ahead ⁽⁶⁾, such as de-risking investment under the Innovation Fund ⁽⁷⁾ and accelerating the permitting under the Net-Zero Industry Act ⁽⁸⁾.

¹ European Automobile Manufacturers' Association

² 'Véhicules Électriques : une forte chute des ventes en Europe' — Choisir.com — 28/06/2024

³ 'UE: Pas d'unanimité lors du vote sur les droits de douane imposés aux véhicules électriques chinois' — L'Usine nouvelle — 16/07/2024

⁴ 'Surprise, le fabricant de batteries de voitures ACC suspend la construction de ses usines en Allemagne et en Italie' — La Tribune — 04/06/2024

⁵ 'Volkswagen diffère l'entrée en Bourse de PowerCo, sa filiale dédiée aux batteries électriques' — Auto Infos — 04/03/2024

⁶ 'Northvolt revoit ses priorités' — Le journal de l'automobile — 02/07/2024

⁷ Inflation Reduction Act

⁸ Lithium iron phosphate

⁹ 'Le fabricant de batteries Northvolt en difficulté : 'Nous avons dix ans de retard sur la Chine' — L'Express — 13/07/2024

⁽¹⁾ <https://alternative-fuels-observatory.ec.europa.eu/transport-mode/road/european-union-eu27/vehicles-and-fleet>

⁽²⁾ Regulation (EU) 2019/631 for passenger cars and vans, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32019R0631> and Regulation (EU) 2019/1242 for heavy-duty vehicles, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32019R1242>

⁽³⁾ Among others, the Critical Raw Materials Act (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401252), the Net-Zero Industry Act (<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52023PC0161>), the Chips Act (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2023.229.01.0001.01.ENG) to address supply chain issues and the Automotive Skills Alliance (<https://automotive-skills-alliance.eu/>) to support the reskilling and upskilling of the automotive workforce.

⁽⁴⁾ For example, funding from the Recovery and Resilience Facility to support for instance the conversion of automotive plants and national schemes to incentivise fleet renewal (e.g. <https://www.mintur.gob.es/en-us/recuperacion-transformacion-resiliencia/paginas/perde.aspx>; https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility/germanys-recovery-and-resilience-plan/germanys-recovery-and-resilience-supported-projects-nation-wide-investment-scheme_en) and funding from the Connecting Europe Facility to support the deployment of charging infrastructure (https://transport.ec.europa.eu/news-events/news/commission-makes-eu1bn-available-recharging-and-refuelling-points-under-connecting-europe-facility-2024-02-29_en).

⁽⁵⁾ [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52023XC0317\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52023XC0317(01))

⁽⁶⁾ Eighth high-level meeting of the European Battery Alliance on 24 May 2024, <https://www.eba250.com/8th-high-level-meeting-of-the-european-battery-alliance-shaping-a-new-action-plan-amid-geopolitical-shifts/>

⁽⁷⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:02019R0856-20210811>

⁽⁸⁾ See footnote 3.

The Commission is in regular exchange with Member States and stakeholders to ensure all enabling factors are in place for accelerating the uptake of BEVs in the coming years, including the rollout of charging infrastructure ⁽⁹⁾ as well as improving the affordability of BEVs, e.g. through national incentive schemes, which can have a significant effect on demand.

Further measures will be considered in the context of the announced future industrial action plan for the automotive industry.

⁽⁹⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1804>

Currently, the infrastructure is on track with the targets of the Alternative Fuels Infrastructure Regulation. However, the distribution of charging points across the EU is uneven,
<https://alternative-fuels-observatory.ec.europa.eu/transport-mode/road/european-union-eu27/target-tracker>