

## BRIEFING

# Leveraging the IAA to build Europe's battery value chain

Why battery incentives in the Industrial Accelerator Act (IAA) are essential and achievable

---

Lead author: Franziska Grüning

Lead analysts: Loïs Miraux, Jordane Faizant, Jeanne Andre

Contributors: Xavier Sol

---

## Summary

---

Europe's battery value chain has experienced several setbacks over the past years. Yet, it doesn't start from scratch. The Industrial Accelerator Act (IAA) must provide the boost needed to materialise and scale projects. T&E shows how incentives under the IAA are both needed and feasible.

---

### Key findings

#### A quarter since 2022

Of announced EU battery cell capacity has been cancelled or shelved. **Germany's** pipeline is particularly concerned as its project pipeline for 2035 **has halved**.

#### Enough cells by 2027

EU cell production can meet demand for corporate vehicles by 2027. By 2030, EU cell production alone can power vehicles eligible under support schemes (corporate **and** private).

#### Enough CAM for 2030

Cathode demand can be met at least for corporate vehicles with announced capacity by 2030. The IAA will create stable demand and drive project materialisation.

---

With Europe facing a second China shock, battery gigafactories struggling to scale and export restrictions highlighting an overreliance on Chinese strategic components, the IAA comes at a critical moment.

T&E finds that a **quarter of the capacity announced since 2022 has been cancelled or put on hold**. Germany is particularly impacted as its 2035 project pipeline has halved. At the moment, non-European entities, predominantly South Korean manufacturers, account for more than 72% of active battery cell manufacturing across the continent.

However, Europe is not starting from zero. **More than half of the cells in EVs sold on the EU market today are already "Made in EU"**. Europe's battery value chain is specialising in NMC chemistries as well as in LFP. Whilst Europe is further behind on LFP batteries, potential in Europe is substantial: **Europe is on track to produce over 100GWh of LFP batteries by 2030 and could reach 140GWh if all potential projects go ahead**.

---

**By 2027, the EU alone would have sufficient cells to power corporate EVs** (modeled on actual expected output, not nameplate capacity). A substantial share of the demand stemming from subsidised private vehicles can also be met with local cell production. **In 2030, both demand for corporate and private vehicles can be met with existing cell production.**

On Cathode Active Material (CAM) production, T&E finds that **without further action, China could still retain over 80% of the world's production in 2035, with only 3% of global cathode production based in Europe.** Despite China dominating global supply, several cathode clusters – on LFP and NMC – are emerging in Europe. T&E analysis shows that **cathode demand can be met at least for corporate vehicles with announced capacity.** However, to accommodate supply for CAM in subsidised private vehicles, trusted partners like Canada and South Korea should be added to the scope. **Delaying CAM requirements is highly counterproductive** as it would jeopardise local CAM projects from scaling.

T&E analysis reveals an even weaker link in Europe's battery supply chain: precursor CAM (pCAM). Despite its strategic importance and its role in providing offtake for EU refiners and recyclers, **minimum thresholds for pCAM are not part of the IAA yet.** Of all the pCAM capacity announcements by 2030 (552.6 GWh), only 217.9 GWh are still on track.

Finally, flexibilities proposed by car-makers - so-called fleet booster proposals - would significantly undermine the IAA's effectiveness, as **reaching watered down IAA requirements with a 70% fleet booster mark is currently possible with minimal strategic shifts.** Postponing the cell and CAM mandates would remove the critical pull factors needed for cells and CAM projects.

The IAA does not impose blanket market restrictions or unduly raise consumer costs. It simply channels scarce public resources toward homegrown manufacturing. Critics claim its local sourcing requirements are unattainable and cost-prohibitive. T&E data shows the opposite.

Creating local demand is key as clean tech companies like battery manufacturers and other component producers are going through the so-called valley of death - the phase from going from a pilot plant to mass production - where scrap rates are high as industrial processes are optimised. The IAA can help those companies survive and overcome Chinese overreliance by creating additional demand for domestic players.

## Key recommendations

- 01 **Keep the cell requirement for 2027-8 in place.** Article 13 (strict EU scope for corporate cars) should be kept in its current form as it will ensure the vast majority of the market (60% of EVs) is made in EU. Alternatively, a trusted partner approach with a strict Opt-in criteria can be adopted for private and corporate cars.
- 02 **Keep the CAM requirements for 2030 in place and add trusted partners to the scope.** EU CAM projects will not survive without further demand signals.
- 03 **Add a minimum threshold for midstream components: 20% for pCAM and 10% for Anode Active Material (AAM) for 2032, to be met with trusted partners.** Building domestic midstream capacity to diversify from China is urgent from a resilience and strategic perspective. This should also include a min. 20% threshold for lithium, nickel, cobalt and graphite.
- 04 **Adopt strict criteria for what counts as a trusted partner** in order to alleviate circumvention risks. One condition should be to exclude projects in third countries operated by a country holding more than 40% of global manufacturing capacity.
- 05 **Make batteries in small BEVs mandatory Made-in-EU from 2029/2030 onwards,** as Europe's LFP capacity will be fully sufficient to cover this segment.
- 06 **Reject the OEM's fleet booster proposal** to allow a 70% fleet-wide compliance trigger, as it removes the critical pull factors needed to de-risk cells and CAM projects. To be effective, the IAA needs to unlock Final Investment Decisions.

# EU cell production meets IAA targets

Despite project delays, Europe's battery cell production can supply sufficient output for EVs covered by public support schemes under the IAA.

## 2.1 Significant EU battery cell production exists despite delays

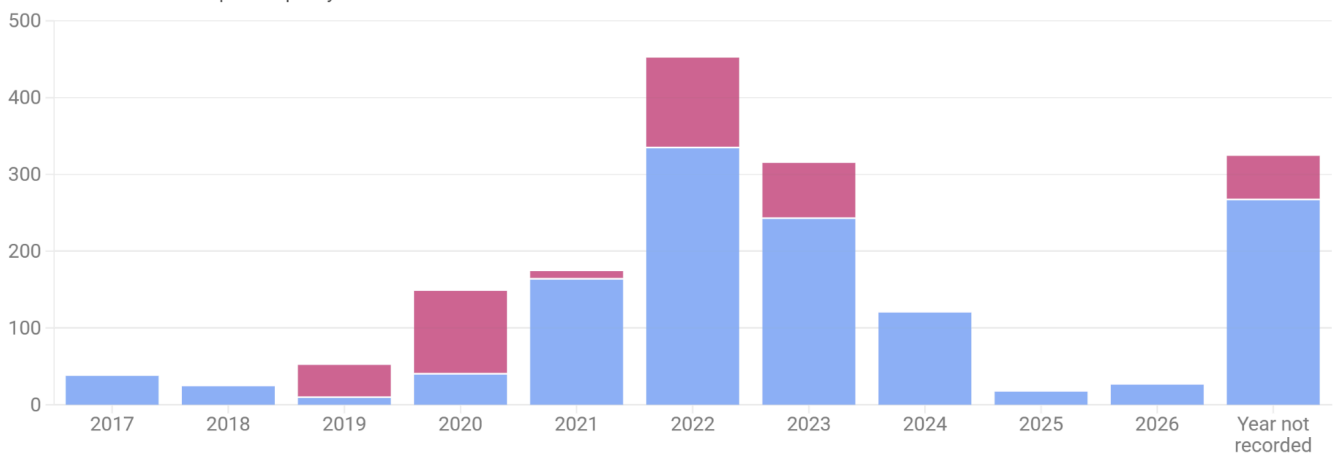
Efforts to onshore an integrated battery value chain in Europe accelerated with the launch of the European Battery Alliance in 2017. Cell production project announcements peaked around 2021 and 2022. Yet, looking at how much of this announced capacity is still active or planned, **T&E finds that a quarter of the capacity announced since 2022 has been cancelled or put on hold.**

### A quarter of the capacity announced at the 2022 peak has already been cancelled or shelved

Nameplate cell capacity first announced each year, split between what is still alive today and what has since been cancelled or put on hold.

■ Still active ■ Cancelled or on hold

GWh of announced nameplate capacity



Source: T&E Gigafactory database, August 2026 • Capacity is each phase's ultimate announced nameplate level. 35 phases carry no usable announcement date.

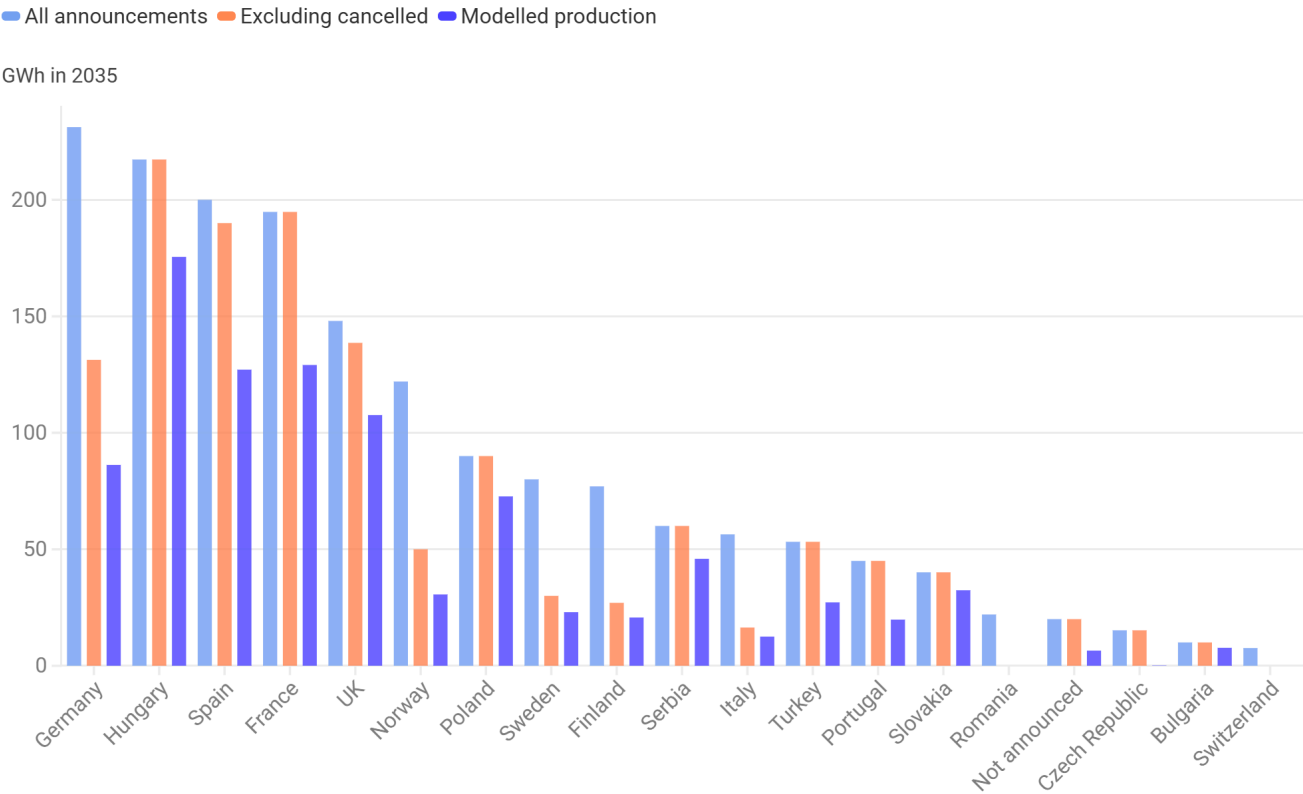


Cancellations stem from global economic pressures, policy gaps and operational hurdles. Battery cell projects have faced price undercutting from heavily subsidised Chinese competitors, volatile domestic EV demand driven by political back-and-forth over the 2035 Car Co2 standards and higher European manufacturing costs. Importantly, while European battery cells are on average 17% more expensive than those produced in the US and 90% more expensive than in China, this gap largely reflects [limited economies of scale rather than structural disadvantage](#). This means that with further scaling and process optimisations, cost gaps will reduce significantly.

Cancellations have disproportionately impacted European companies. Germany's 2035 project pipeline has halved, as seen with stalled projects like ACC in Kaiserslautern or Porsche scaling back its Cellforce operations. Conversely, announced projects in Hungary, Spain and France have experienced fewer cancellations.

**Germany's 2035 pipeline has shrunk by half: Hungary's, Spain's and France's have not**

Announced cell capacity and modelled production in 2035, by country of the plant.



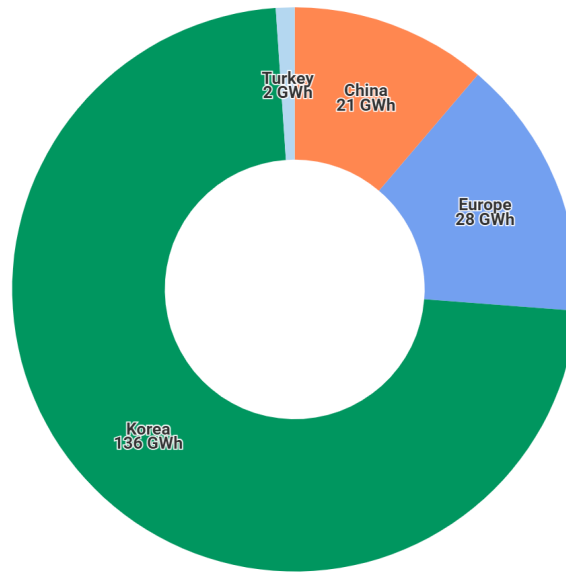
Source: T&E Gigafactory database, August 2026 • Modelled production = announced nameplate capacity x utilisation rate x (1 - scrap rate), with utilisation ramping from each phase's own first production year and scrap yield carried over between same-chemistry phases of a plant. Cancelled and on-hold projects produce nothing.



**Non-European entities account for more than 85% of active battery cell manufacturing across the continent.** With South-Korean manufacturers alone covering 72% of Europe's cell production.

## Non-European groups own 85% of Europe's 2026 cell output

Modelled cell production in 2026 (GWh) by the home region of the company that owns the plant.



Source: T&E Gigafactory database, August 2026 • Modelled production = announced nameplate capacity x utilisation rate x (1 - scrap rate), with utilisation ramping from each phase's own first production year and scrap yield carried over between same-chemistry phases of a plant. Cancelled and on-hold projects produce nothing. Origin is the parent company's home region. Joint Venture covers plants owned jointly across regions, whose output cannot be split.

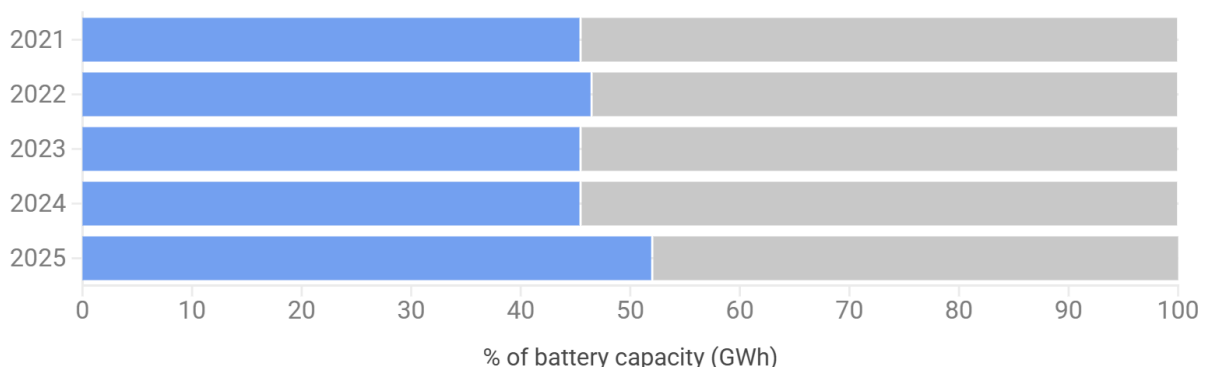


But remarkably, Europe is not starting from zero. **More than half of the cells in EVs sold on the EU market today are already Made in Europe.**

## More than half of the cells used in BEVs sold in the EU were already Made in Europe in 2025

Share of battery capacity in battery electric cars and vans sold in the EU, by where the cells were made

■ Made in Europe ■ Imported



Source: T&E analysis based on GlobalData.



Beyond the share, in absolute terms, European-made cells in BEVs sold in the EU grew from 22 GWh in 2021 to 70 GWh in 2025, more than tripling.

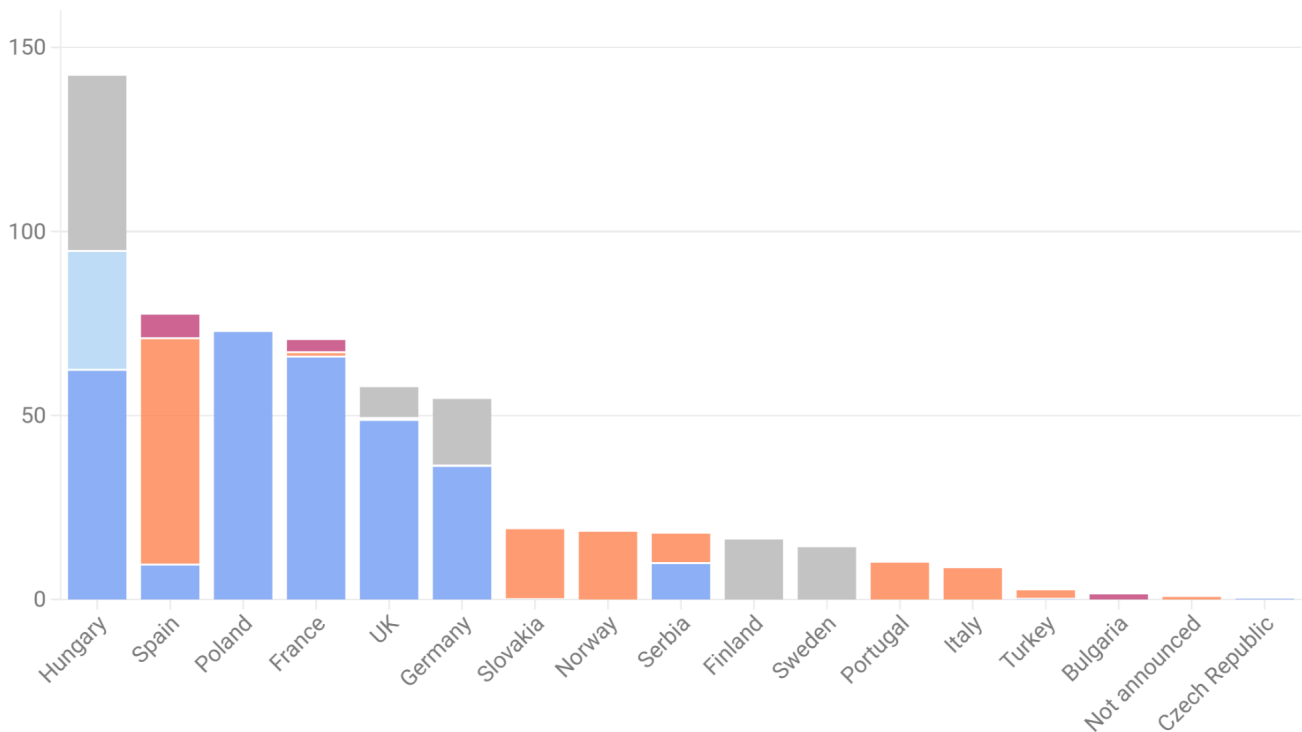
Furthermore, Europe is diversifying into both NMC and LFP battery chemistries. LFP is projected to capture 54% of the passenger BEV market by 2030. Whilst Europe is further behind on LFP batteries, T&E analysis shows that Europe is on **track to produce over 100 GWh of LFP batteries by 2030** - reaching 140GWh if all potential projects proceed. As LFP is predominantly used in compact BEVs, Made-in-EU batteries in small BEVs will be feasible by 2030.

### Europe's battery map is diversifying across NMC and LFP chemistries

Modelled cell production in 2030 by country and cathode chemistry.

NMC NCA LFP/LMFP SSB Sodium-ion Other Not announced

GWh in 2030



Source: T&E Gigafactory database, August 2026 • Modelled production = announced nameplate capacity x utilisation rate x (1 - scrap rate), with utilisation ramping from each phase's own first production year and scrap yield carried over between same-chemistry phases of a plant. Cancelled and on-hold projects produce nothing.



T&E estimates that announced projects for 2035 amount to a total capacity of 1690 GWh. Considering cancellations, delays and high scrap rates, we expect Europe to deliver 924 GWh by 2035.

## 2.2 IAA cell requirements for EU-produced cells are reachable

To create local demand, the IAA rightfully introduces so-called Union content incentives for subsidies and support schemes eligibility, mandating not only the vehicle to be assembled in Europe, but also its key strategic components like battery cells and cathode active materials (three years after entry into force).

The IAA Union content incentives – cells by 2027/2028 and CAM by 2030 – raise the question if enough production is available to satisfy supply needs.

Building on JRC assumptions, T&E expects an 34% increase<sup>1</sup> in EU battery demand compared to the current baseline in 2027. Based on conversations with EU cell makers, T&E adopted a voluntary pessimistic assumption regarding production ramp up (high scrap rates in the beginning, scaling over time). T&E's assessment does not include mere nameplate capacity but actual expected output.<sup>2</sup>

---

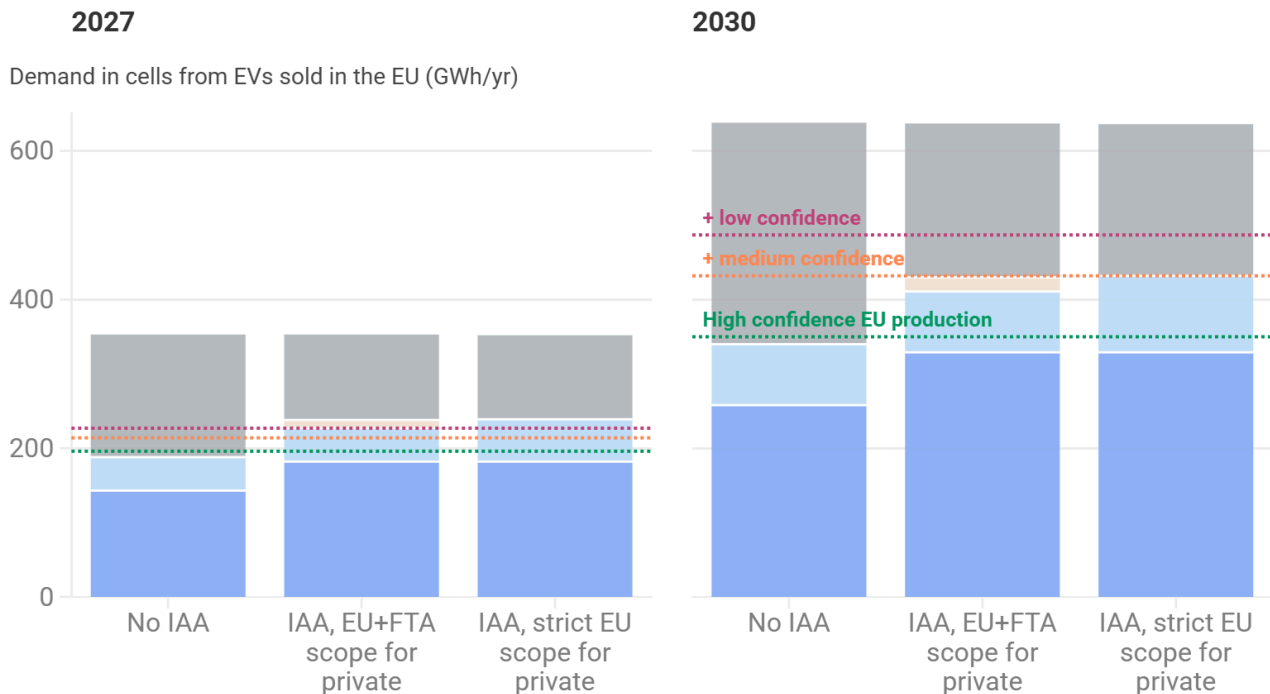
<sup>1</sup> Considering 59% of the total BEV sales in Europe fall under public support schemes (private or corporate). See T&E methodology to assess share of EV sales covered by EU subsidy schemes at the end

<sup>2</sup> Key assumptions include: IAA covers light-duty EVs (incl. vans); EU cell production includes LFP and NMC projects; Cell demand stemming from EVs already using EU cells, plus additional demand from EVs currently subsidised increasing EU cell sourcing. Ratio between private and corporate channels remains the same as today's.

## EU cell supply to meet IAA demand for corporate vehicles even under a low-risk production scenario for 2027 and 2030

Assuming all (and only) EU-assembled EVs under a subsidy scheme relocate their cell

Corporate — EU cells Private — EU cells Private — undetermined relocation (EU or FTA) Non-EU



Source: T&E analysis • Demand from T&E's IAA impact assessment model assuming all EU-assembled BEV+PHEV (personal & commercial) under a subsidy scheme become compliant. Heavy-duty and stationary storage excluded. No-IAA scenario assumes current EU origin share of cells remains constant. All scenarios assume no further outsourcing. Supply from T&E Gigafactory ramp-up model, limited to EU scope

**By 2027, domestic cell output from "high confidence to go ahead" projects will be sufficient to supply 100% of subsidised corporate EVs in Europe, alongside a substantial share of subsidised private vehicles covered by public support schemes.**

**By 2030, both demand for corporate and private vehicles can be met with existing cell production, if projects ranked at 'medium confidence' go ahead.**

Expanding the geographical scope to Free Trade Agreement (FTA) partners carries structural risks. Firstly, it risks displacing existing and planned EU cell production.

T&E also stress-tested feasibility if more EV production was to relocate to Europe to be eligible. If currently subsidised, foreign-assembled EVs relocate assembly to Europe thanks to the IAA, low-certainty projects must materialise, requiring supplementary sourcing from trusted partners.

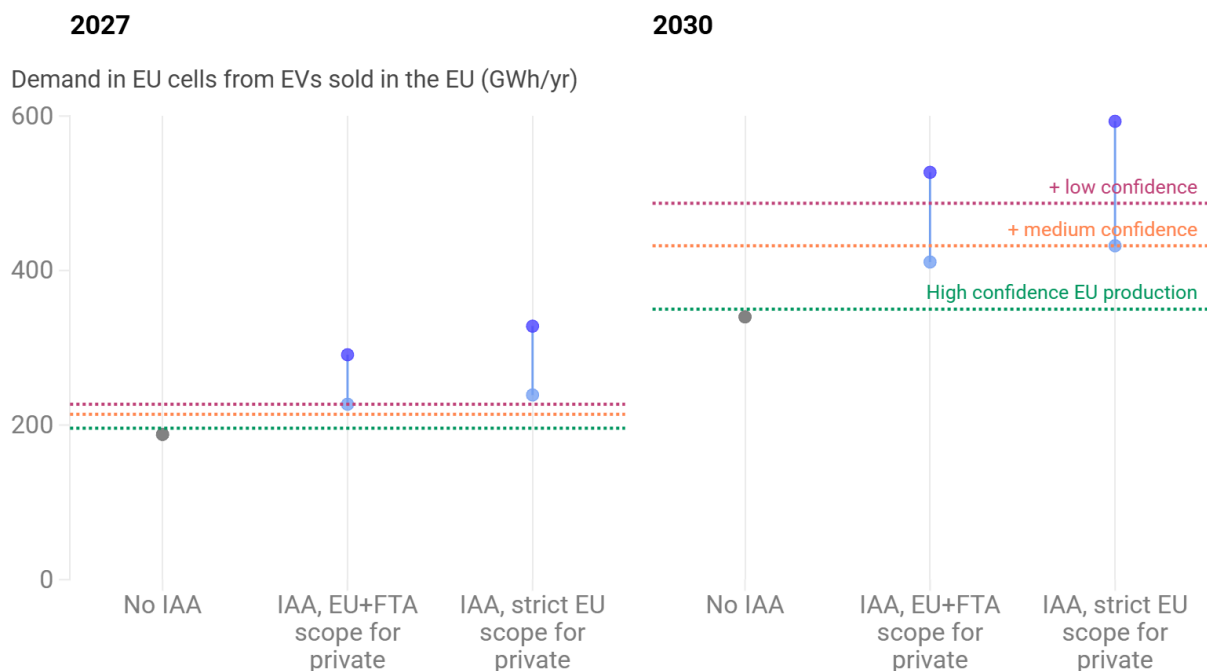
## Stress-test scenario: Full relocation of cells of subsidised EU-assembled EVs could be supplied by EU production 2030

A 2027 relocation mandate or relocation of all subsidised EVs (incl. those currently subsidised & manufactured abroad) would likely face a supply gap. To note that full relocation scenario is unlikely.

**Relocalisation rule** ● No IAA

● All (and only) EU-assembled EVs under a subsidy scheme relocate their cell

● All EVs under a subsidy scheme relocate their cell



Source: T&E analysis • Demand from T&E's IAA impact assessment model assuming all EU-assembled BEV+PHEV (personal & commercial) under a subsidy scheme become compliant.

Heavy-duty and stationary storage excluded. No-IAA scenario assumes current EU origin share of cells remains constant. All scenarios assume no further outsourcing. Supply from T&E

Gigafactory ramp-up model, limited to EU scope.



The JRC assumes that EVs currently subsidised but assembled outside the EU will not relocate production to Europe. T&E's scenario applies a more conservative and more demanding baseline, still demonstrating that such a transition remains largely feasible.

# Building Europe's midstream - a key challenge for resilience

---

Midstream components like Cathode Active Materials (CAM) and pCAM (precursor CAM) are crucial for Europe's supply chain resilience. Securing extra demand is needed to de-risk projects and attract additional investment. Working with trusted partners will be key to meet much-needed IAA incentives.

## 3.1 Onshoring key parts of the midstream is crucial

Supply chain resilience requires establishing domestic capacity in midstream components: CAM, but also precursor materials like pCAM and Anode Active Materials (AAM).

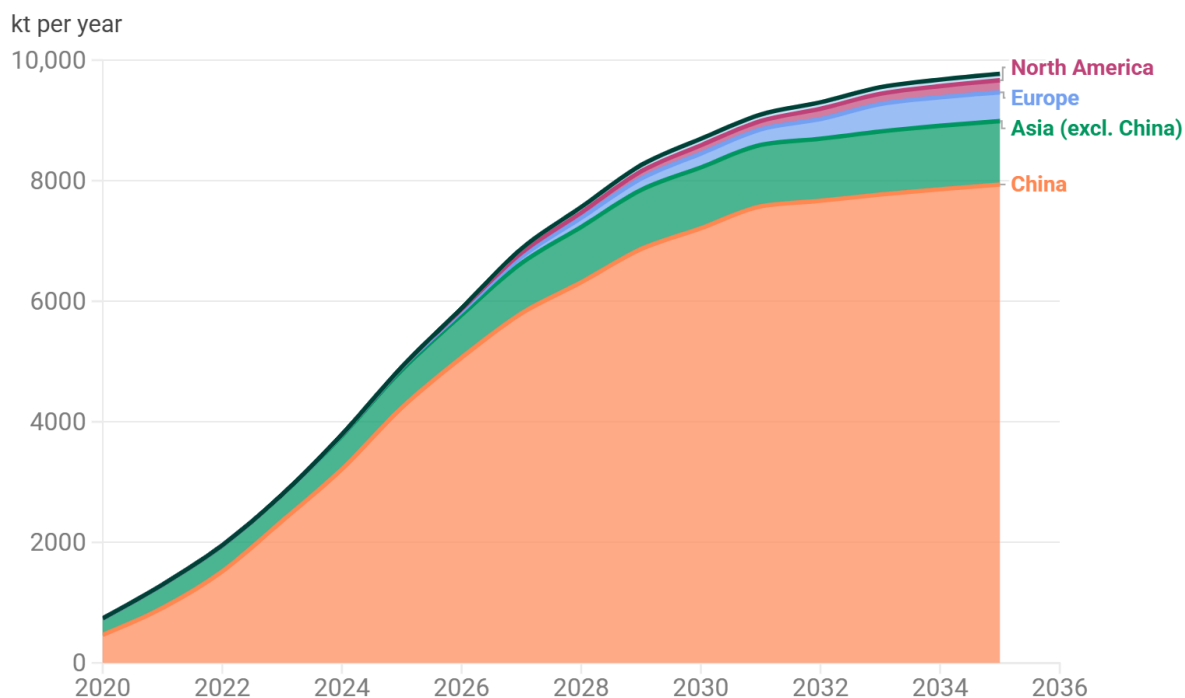
CAM and their precursors pCAM are critical components that make a battery work. They form the positive side of a battery cell, determining how much energy it holds, how fast it charges, and how long it lasts - while representing 55% of total cell cost.

CAM/pCAM production is a fundamental step between raw minerals and the finished battery, but Europe currently imports most of these materials. This creates risks for supply security, price spikes, and carbon-intensive transportation. Without intervention, China is projected to maintain over 80% of global CAM manufacturing in 2035, while Europe holds just 3%.

At the moment, **China retains over 86% of global CAM production, with specific chemistries like LFP CAM almost entirely concentrated in China. By 2030, more CAM production will come online in Canada and Asia (ex. China) that could reach over 13% of global production.**

## China could make over 80% of the world's cathode; Europe just 3%

Worldwide CAM adjusted supply by region.



Source: Benchmark cathode forecasts, June 2026



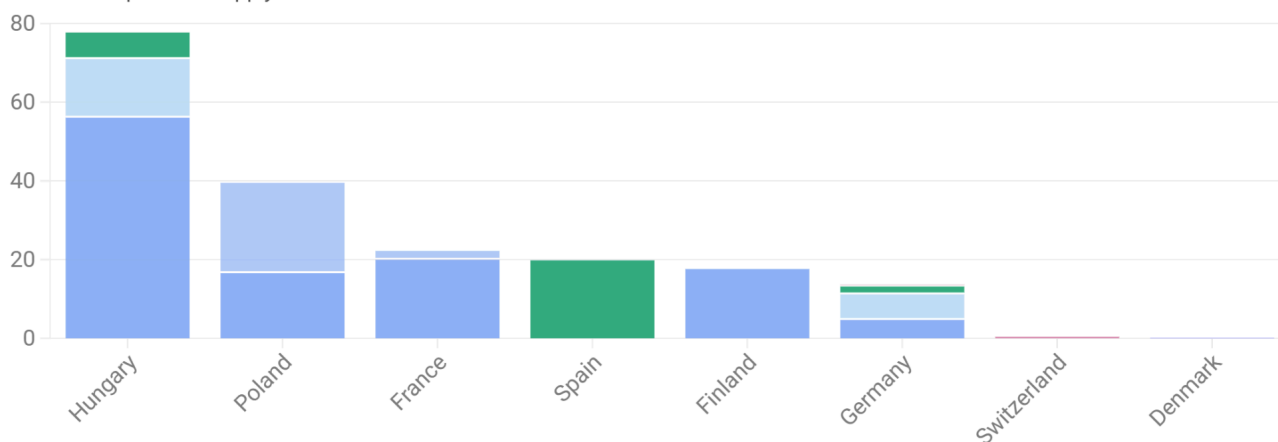
Despite the global supply by China, several cathode clusters are emerging in Europe. This includes different chemistries, including NMC and LFP which is promising.

## Each cathode cluster in Europe is locked into a single chemistry

European CAM supply in 2030 by country and cathode chemistry family.

■ NCM high nickel ■ NCM mid nickel ■ NCA ■ LFP/LMFP ■ 5V Mn based ■ Sodium ion

GWh of cell-equivalent supply in 2030



Source: Benchmark cathode forecasts, June 2026 • Supply is the announced nameplate capacity x utilisation rate.



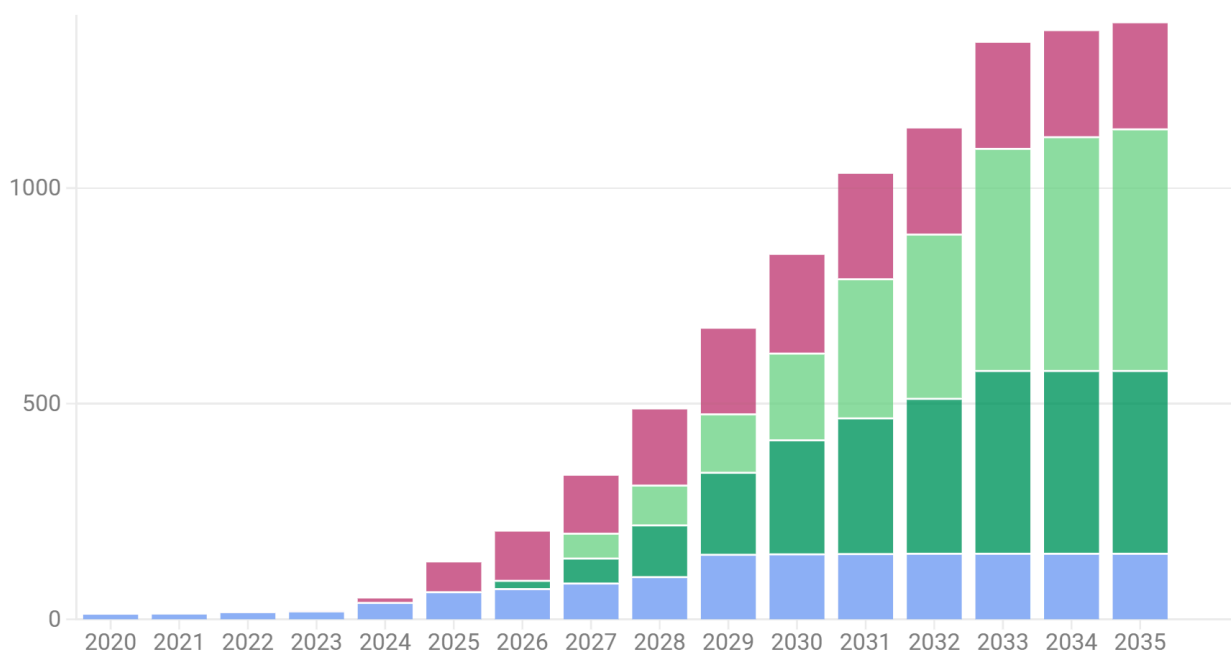
However, many CAM projects are currently under construction. It is therefore important to give them additional offtake security despite cheaper CAM production from China.

## More than half of Europe's announced cathode capacity has yet to break ground

All announced European CAM and pCAM capacity by the current status of the project.

Operating Under construction Planned Cancelled or on hold

GWh of cell-equivalent capacity



Source: Benchmark cathode forecasts, June 2026. Cancelled values adjusted by T&E. • CAM and pCAM capacities added together. • Status is the project's position today, applied across its whole capacity schedule.



Projects currently listed under operating and under construction grow from 89 GWh in 2026 to 415 GWh in 2030. It is important to note that in this graph, projects keep their status as assigned today, which does not mean that no new operating capacity comes online after 2029. Production output is modelled further below.

**Ultimately, producing cathode in Europe currently costs a third more for LFP and a tenth more for NMC/NCA chemistries.** This underlines the need for additional demand for EU producers.

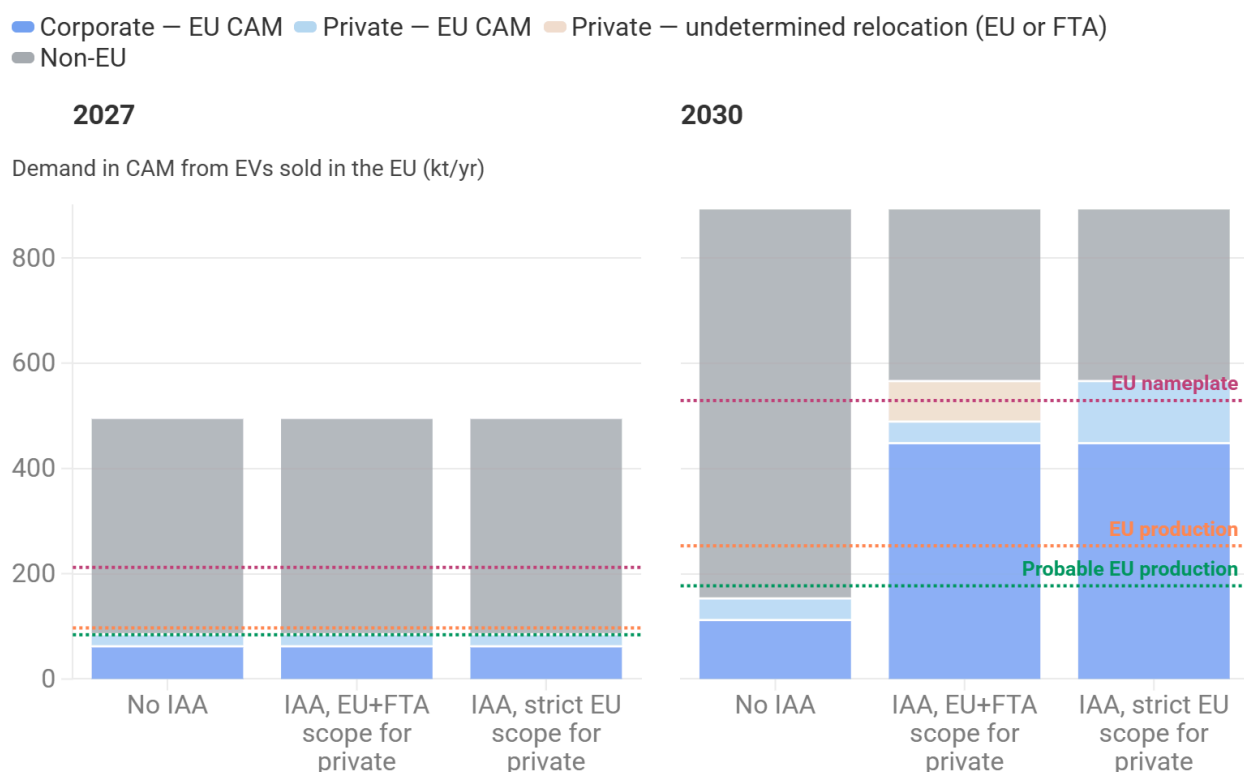
### 3.2 IAA incentives on CAM can be met with trusted partners

T&E finds that the cathode requirement in the IAA from 2030 (or 3 years after entry into force) can de-risk production capacity significantly and secure additional demand. **Cathode demand can be met at least for corporate vehicles with announced capacity.**

T&E's analysis projects European CAM capacity based on projects that are operating, under construction or planned today. It does not capture new projects the IAA could trigger. By boosting demand for European-made cathode, the regulation is likely to attract further investment and expand supply.

## The IAA pulls cathode demand into the EU, securing needed offtake

Trusted partners should help secure additional supply



Source: T&E analysis; Benchmark Cathode Forecasts Q2 2026 • Demand from T&E's IAA impact assessment model, supply from Benchmark Cathode Forecasts Q2 2026.



This means that Article 13 should be kept in its original form with a Made in EU scope for corporate vehicles. **However, to accommodate supply for CAM in subsidised private vehicles, trusted partners like Canada and South Korea should be added to the scope.**

"EU nameplate" (529 kt/yr in 2030) represents the total announced production capacity across EU facilities, excluding cancelled and on-hold ones. "Probable EU production" (177 kt/yr in 2030) further weights each project by its likelihood of being built, based on its current status. The gap between probable production and announced capacity is capacity already in the pipeline, which could come online as projects mature and demand firms up, including through the IAA. This means the production gap we're seeing today is a delivery issue, not one of ambition.

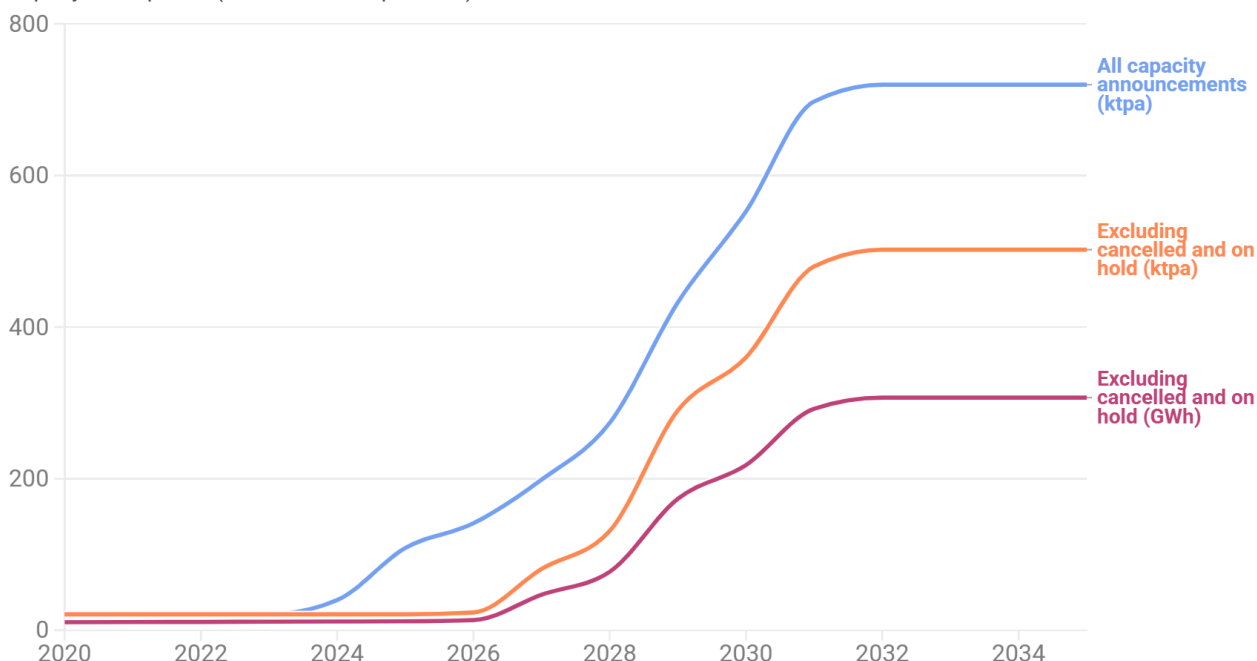
**Crucially, pCAM represents an even greater vulnerability.** China controls 95% of global pCAM capacity. Without pCAM offtake in Europe, domestic recyclers and refiners will lack local buyers,

as foreign pCAM producers favor cheaper unrefined imports. Europe will not deliver on its diversification plans and industrial growth if it doesn't de-risk existing and announced pCAM projects in Europe.

## Precursor capacity is the thinnest link in Europe's cathode chain

European pCAM (precursor cathode active material) nameplate capacity.

kt per year of pCAM (and GWh cell equivalent)



Source: Benchmark cathode forecasts, June 2026 • GWh equivalent derived by T&E from the cathode intensity of the same chemistry family. Cancelled Ege Kimya Stargard added by T&E to Benchmark's dataset to better reflect history.



Of the 552.6 GWh of European pCAM capacity announced for 2030, only 217.9 GWh are likely to go ahead.

While European pCAM capacity remains constrained, failing to establish a minimum threshold by 2032 - supported by trusted partner sourcing - will permanently cede this midstream link to China. Because pCAM and anode active materials (AAM) power both EV batteries and strategic dual-use technologies like drones, complete import reliance creates critical defense and economic vulnerabilities. Finally, pCAM manufacturers are the future offtakers of recyclers in Europe. While battery recyclers are trying to scale, [most of their offtakers remain in Asia](#), where cheaper materials from China are preferred.

For midstream components, **T&E recommends that CAM requirements stay in place for 2030 with a trusted-partner Opt-in approach** allowing to secure additional supply for private vehicles. T&E urges decision makers **to add minimum thresholds for pCAM (20%) and AAMs (10%) for 2032, that are equally backed by a trusted partner opt-in approach.**

# The 70% “fleet booster” proposal makes the IAA toothless

Despite support to a “Made in EU” approach from key European OEMs, the suggested fleet booster proposals by VW, Stellantis and Renault as well as ACEA effectively removes key requirements of the IAA - largely diluting its impact.

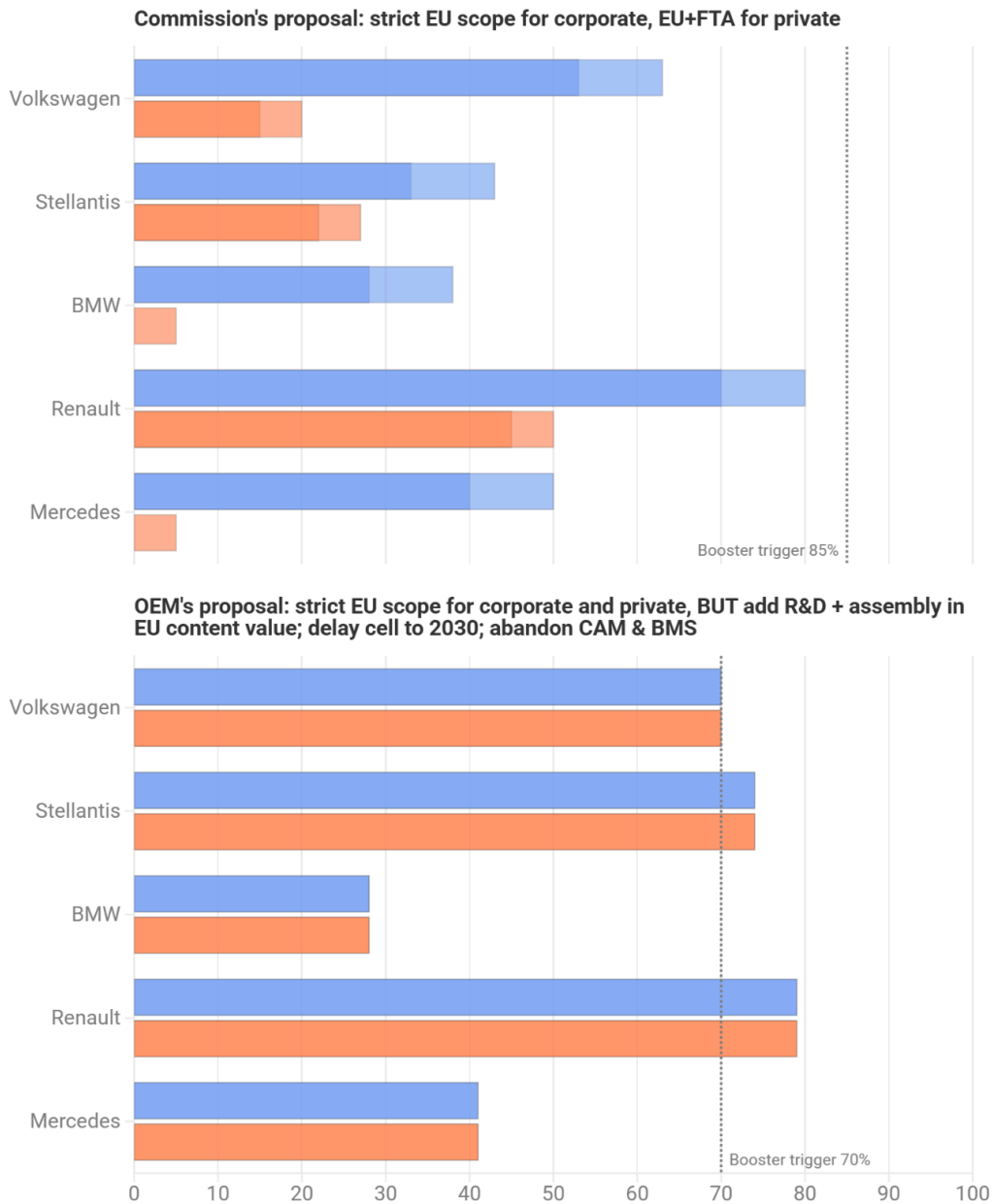
By granting full public subsidy eligibility to an OEM’s entire fleet if just 70% meets weakened local sourcing rules, this proposal allows manufacturers to claim public support with minimal strategic change. **The flaw lies not in offering flexibility, but in coupling the 70% “fleets booster” with a drastic lowering of core requirements.**

Postponing the cell and CAM mandates would **remove the critical pull factors needed for cells and CAM projects to de-risk projects and reach Final Investment Decisions**, allowing fleets to remain eligible for subsidies without actually securing batteries manufactured in Europe.

## OEM's weakened fleet booster proposal would work against the IAA's goals

Volkswagen, Renault and Stellantis could trigger the optional fleet booster provision for free in 2027 and at low effort in 2030, i.e. being rewarded for their imports instead of being incentivized to relocate

■ Share of EU sales compliant to 2027 rules  
 ■ 2030 rules. Dark: with strict EU scope for all; Light: incl. EU+FTA flexibility for private (arbitrary, unquantified)



Source: T&E's IAA impact assessment model. OEM's proposal is VW/Renault/Stellantis 11/06/26 statement.

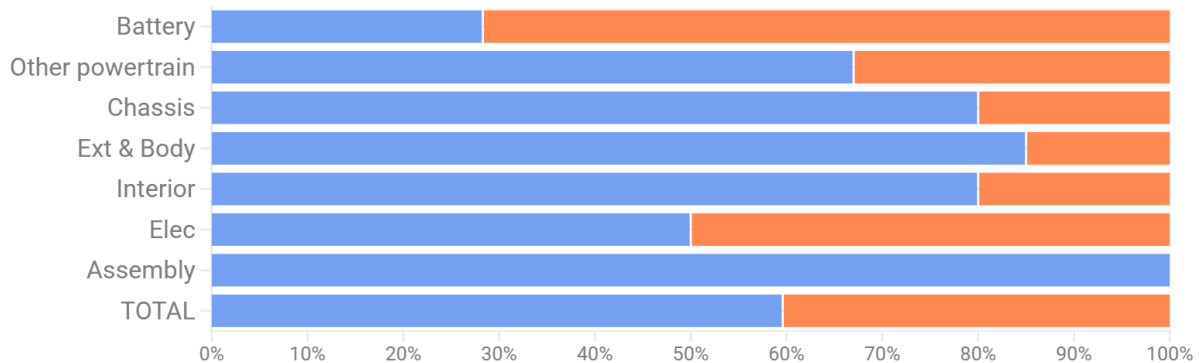


Currently, most of the value creation of EU assembled EVs does not stem from local battery technology or electronic systems, but from final assembly and non-strategic components like the chassis. An IAA without ambitious battery component obligations would render the IAA's goal to onshore strategic components worthless.

## Value creation of EU-assembled EVs from major EU OEMs

Value created through the battery and electronics remains largely outside the EU

■ Value created in the EU ■ Value created outside the EU



Source: T&E calculations based on GlobalData, ICCT, RolandBerger & CLEPA • Scope limited to personal vehicles assembled in Europe. Included OEMs are Volkswagen, Mercedes-Benz, Stellantis, Renault-Nissan-Mitsubishi, and BMW. Other powertrain components include eMotor, inverter and transmission.



While roughly 50% of battery cells in EU-sold EVs are assembled locally, European production accounts for only one-third of overall pack value - with midstream processing (CAM, pCAM) and refining remaining overwhelmingly concentrated in China. To protect European industrial sovereignty, secure pending gigafactory investments, and build true supply chain resilience, firm local content incentives for battery cells and midstream components must remain locked in from 2027 onward.

---

## Recommendations

---

- 01** | **Keep the battery cell requirements for 2027-8 in place.** Ideally, Article 13 should be kept in its original form as in the EU proposal. To ensure extra flexibility for OEMs, a **strict Opt-in Made in EU + trusted partners scope can be adopted.**
- 02** | **Keep the CAM requirements for 2030 in place and add trusted partners to the scope.** EU CAM projects will not survive without further demand signals.
- 03** | Add additional midstream components to capture the whole battery value chain: **20% precursor Cathode Active Materials and 10% Anode Active Materials from 2030 or 2032**, attainable with a trusted partner approach.
- 04** | Add a **20% threshold for refined Critical Raw Materials in the Annex, focusing on lithium, nickel, cobalt and graphite** in line with the EU Battery Regulation traceability requirements.
- 05** | **Make batteries in small BEVs mandatory Made-in-EU from 2029/2030 onwards**, as Europe's LFP capacity will be fully sufficient to cover this segment.
- 06** | Design **strict criteria for the inclusion of trusted partners** in the IAA geographical scope, beyond mere FTA status. **This should include the requirement to exclude projects in third countries operated by a country holding more than 40% of global manufacturing capacity.**
- 07** | **Reject the OEM's fleet booster proposal** to allow a 70% fleet-wide compliance trigger, as it removes the critical pull factors needed to de-risk cells and CAM projects. To be effective, the IAA needs to unlock Final Investment Decisions.

## Methodology

### Methodology to assess EV cell and CAM production

Cell production capacity is estimated from T&E databases and analysis, including ramp-up modelling. It is based on battery cell projects announced in the EU, which are classified according to a risk assessment, and covers both LFP and NMC chemistries. Ramp-up assumptions are deliberately conservative. Manufacturing efficiency and workforce assumptions for European countries and China are taken from the [IEA](#) and reflect best-in-class European and Chinese manufacturers. However, for the 2025 European baseline, we apply a manufacturing scrap rate of 20% (instead of the IEA's 15%) to better reflect [available data](#) on the current ramp-up phase in Europe.

CAM capacity is based on Benchmark's cathode forecast. It reflects announced capacity in the EU, weighted by a confidence factor that depends on each plant's status.

### Methodology to assess EV cell demand

When assessing the feasibility of the IAA goals, it is important to note that not all EVs on the EU market are subsidised. As a result, EU cell production only needs to cover subsidised EVs, not the entire EV market.

T&E has calculated the share of EVs sold on the EU market covered by subsidy schemes. Starting from the JRC assumption that currently 84% of all EVs sold on the EU market are covered under a subsidy scheme (e.g. subsidies or tax rebates, etc.), we assess how many of those cars are EU assembled and how many would already be considered IAA compliant.

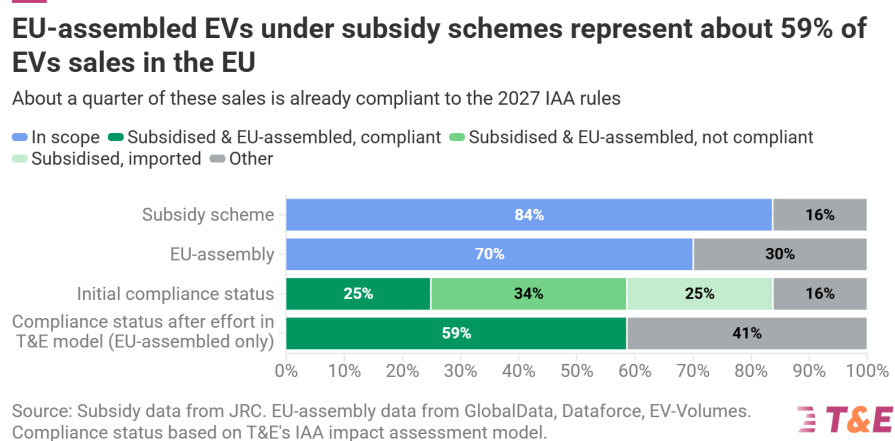


Figure i: Share and origin of EV sales covered by an EU subsidy scheme

Out of the EU-assembled EVs, we assume that 59% will be subject to IAA requirements: 84% subsidy coverage of the 70% EU manufactured, considering an equal split between EU and non-EU assembled EVs.

Under the current CO2 standards regulation and the current market distribution, T&E assumes: both the market and the ratio between private and corporate channels to remain as of today - 63% of new BEVs are corporate cars. To assess the expected 2030 cell demand, we first depart from a conservative scenario, also taking into account the JRC's assumption that non-EU assembled EVs will likely not be reshored in Europe given their current EU-content is too low, making it too costly to reshore larger parts to Europe.

T&E's impact assessment model shows that 25% of the subsidised, EU-assembled vehicles are already compliant with IAA requirements, meaning they already source battery cells from the EU and generate over 70% local value addition (excluding battery). Another 34% of currently subsidised cars are already EU-assembled which is why we assume they will make the extra efforts to comply with IAA requirements to remain eligible for subsidies.

---

**Further information**

Franziska Grüning

Raw materials officer

[franziska.gruning@transportenvironment.org](mailto:franziska.gruning@transportenvironment.org)

[www.transportenvironment.org](http://www.transportenvironment.org) | [BlueSky](#) | [LinkedIn](#)

---