

## German-French declaration on Battery Cell Production

1. The demand for mobile and stationary electricity storage is growing rapidly around the world. Battery technology is a key and will be indispensable across several important areas of industrial value creation, particularly for the electrification of transport systems, storage of renewable energy as well as mobile electronics and tools. The effects on value chains and for the economy are huge. The ability to use this technology in a large variety of applications and on a large scale is crucial in order for France, Germany and Europe to sustain a competitive industry.
2. The Federal Government of Germany and the French Government agree that in a social market economy it is primarily the responsibility of private companies to develop new technologies and make them ready for the market, and thus also to develop and establish a competitive industrial battery cell production. The task of the governments is to create the right environment for these developments to be made and to provide start-up support for a limited period of time.
3. Battery cells need to set international benchmarks by
  - providing high energy density and performance at competitive prices;
  - offering a long lifespan and a high number of charging cycles;
  - being produced and later disposed of in a sustainable and environmentally compatible manner, e.g. low carbon footprint from production and logistics and high level of recyclability, and
  - being manufactured under fair working conditions across the entire value chain, from the extraction of raw materials right through to disposal.
4. The Federal Government of Germany and the Government of France in cooperation with the EU-Commission will develop a strategic approach for establishing an industrial battery cell production in Europe which will be elaborated in greater detail over the next few months. In order to achieve these objectives, the Federal Government of Germany has reserved €1 billion Euro up to 2022 to support the development of battery cell production in Germany. France has also confirmed its readiness to dedicate substantial financial support for battery cell projects in France, in particular through the Program of Investments for the Future, and initiated collaborative work between car manufacturers, energy, chemical and mineral companies in the framework of the National Industry Council. Respective project proposals may qualify as an *Important Project of Common European Interest (IPCEI)*, thus its funding framework could be set according to this special European Commission state aid scheme.
5. The industrial sector is working at full speed to develop industrial cooperation partnerships on innovative and sustainable battery cell projects. Currently, various possible consortia are being

observed. They will all be examined in detail under the condition that the enterprises and partners involved meet economic and state aid preconditions. Governments will then identify possible supportive measures.

6. Therefore, the Sides have come to the following understanding: The objective of a French-German Cooperation shall be focused on the support of cooperation between companies, research institutes and platforms in the field of battery cell production and across the value chain, from the raw materials suppliers to the car manufacturers, with clear commitments of the parties. Specific fields of cooperation between Germany and France shall include but are not limited to industrial aspects of battery cell production and related technologies, European regulatory issues such as state aid policy (esp. with regard to IPCEI and cooperation within the European Battery Alliance). Supportive measures are to be considered under the precondition that stable and sound economic requirements are met.
7. The Sides will foster the development of industrial consortia in close cooperation with the European Commission and the other Member states involved. They will assess the ability of these consortia to meet the requirements for an IPCEI, as well the high level objective of establishing an industrial battery cell production in Europe. Relying on progress with respect to the ongoing discussions between industrial co-operations aiming to set up industrial battery cell capacities in Europe, France and Germany aim to identify credible consortia including car manufacturers in order to take a decision before end of first quarter 2019. In the spirit of the IPCEI-rule these consortia might include industrial corporations from other EU-Member States. The consortia should announce detailed investment plans which are sufficiently reliable to serve as a financial base to be scrutinized by governments and the European Commission with the goal to obtain approval as an IPCEI so that approval by the Commission can be given as soon as possible in the first half of 2019.
8. Cooperation under this declaration will be subject to and dependent upon the availability of the funds and resources of each Side. The Sides should bear the costs that they each incur themselves, unless otherwise approved in writing.

Berlin and Paris, Federal Republic of Germany and Government of France, 18<sup>th</sup> December 2019

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