

RECHARGE warns that Franco-German agreement risks undermining Europe's battery industrial ambitions

Brussels, 19.10.2026 – RECHARGE, the industry association representing the European battery value chain, is deeply concerned the Franco-German agreement on the Automotive Package would significantly weaken the European content requirements for batteries originally proposed by the European Commission under the Industrial Accelerator Act (IAA) and hence undermine the Europe's industrial ambitions regarding the battery value chain.

In March, RECHARGE welcomed the Commission's IAA proposal as a critical step towards rebuilding Europe's battery manufacturing base, creating lead markets for European-made batteries, and strengthening strategic autonomy through clear, enforceable Union-origin requirements. At the time, RECHARGE also [warned](#) that loopholes could dilute the effectiveness of the framework and undermine localisation incentives.

The provisions reportedly agreed by France and Germany move in exactly the wrong direction, and if agreed in Council, **these measures will be devastating for the batteries value chain**.

The agreement would substantially delay and weaken the battery-specific local content requirements that are essential to create demand for European battery production. Allowing only 10% of incentivized fleets to contain batteries with key European-made components during 2028-2029, increasing to only 20% in 2030-2031, falls far short of what is needed to sustain the massive investments currently being made across the European battery value chain.

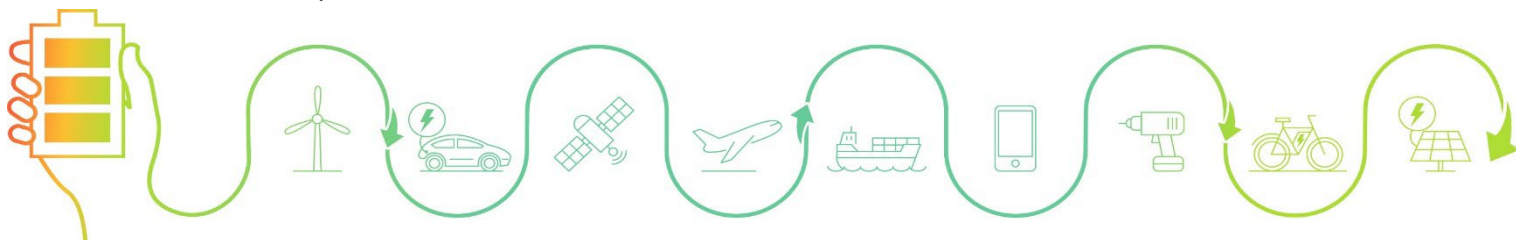
Europe cannot build a competitive battery industry without creating a meaningful market for batteries produced in Europe.

Battery manufacturers, material producers and other value-chain actors have invested billions of euros in Europe based on the expectation that policymakers recognise batteries as a strategic technology requiring a coherent industrial policy framework. Diluting the battery content requirements risks sending precisely the opposite signal at a time when the sector is already facing intense global competition, investment uncertainty and significant pressure from heavily subsidised third-country producers.

The implications extend far beyond individual companies. Battery production underpins Europe's automotive sector, energy-storage ambitions, industrial resilience and technological sovereignty. Without credible demand for European-made batteries, investments in cells, active materials and other critical components become harder to justify, industrial capacity risks being lost before it reaches scale, and Europe's dependence on non-European supply chains would become further entrenched.

RECHARGE is particularly concerned by:

- **Battery-origin requirements stripped of meaningful ambition.** The very limited battery-origin requirements in 2028-2031, with only a small share of supported fleets required to contain batteries with key European-made battery components.
- **Critical components left waiting until 2032.** The postponement of meaningful requirements for cathode active materials until 2032, despite the strategic importance of this segment for European value creation.



- **Compliance pathways that weaken the policy's impact.** The possibility for compliance pathways that weaken the direct link between public support and the use of European-made battery components.
- **A retreat from the IAA's core industrial purpose.** The broader weakening of measures intended to create predictable lead markets for strategic clean technologies manufactured in Europe.

The battery sector has consistently supported a pragmatic and enforceable approach based on key manufacturing steps and component-based Union-origin requirements. Such measures are not about protectionism; they are about ensuring that public support contributes to building industrial capacity, technological know-how, quality jobs and resilient supply chains in Europe.

"Europe's battery industry needs demand-side measures that create real business cases for manufacturing in Europe. The Franco-German agreement would be too little too late. If the proposed provisions are agreed to in Council, the battery requirements would be too weak, too delayed and too limited to provide the investment certainty that Europe urgently needs. The objective of the Industrial Accelerator Act was to accelerate Europe's industrial base, not postpone it. Policymakers must ensure that strategic technologies such as batteries remain at the heart of Europe's industrial strategy," said **Ilka von Dalwigk, Director General of RECHARGE.**

As discussions continue, RECHARGE calls on EU policymakers to preserve meaningful battery-origin requirements and ensure that any final agreement delivers on the Industrial Accelerator Act's original objective: creating strong lead markets for European clean technology manufacturing and truly strengthening Europe's battery sovereignty, competitiveness and resilience.

See the [full RECHARGE position paper on the IAA here](#).

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RECHARGE is the European industry association for advanced rechargeable and lithium batteries. Founded in 1998, it is our mission to promote advanced rechargeable batteries as a key technology that will contribute to a more empowered, sustainable and circular economy by enabling decarbonised electricity and mobility, and cutting-edge consumer products. RECHARGE's unique membership covers all aspects of the advanced rechargeable battery value chain: From suppliers of primary and secondary raw materials, to battery and original equipment manufacturers (OEMs), to logistic partners and battery recyclers. www.rechargebatteries.org

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