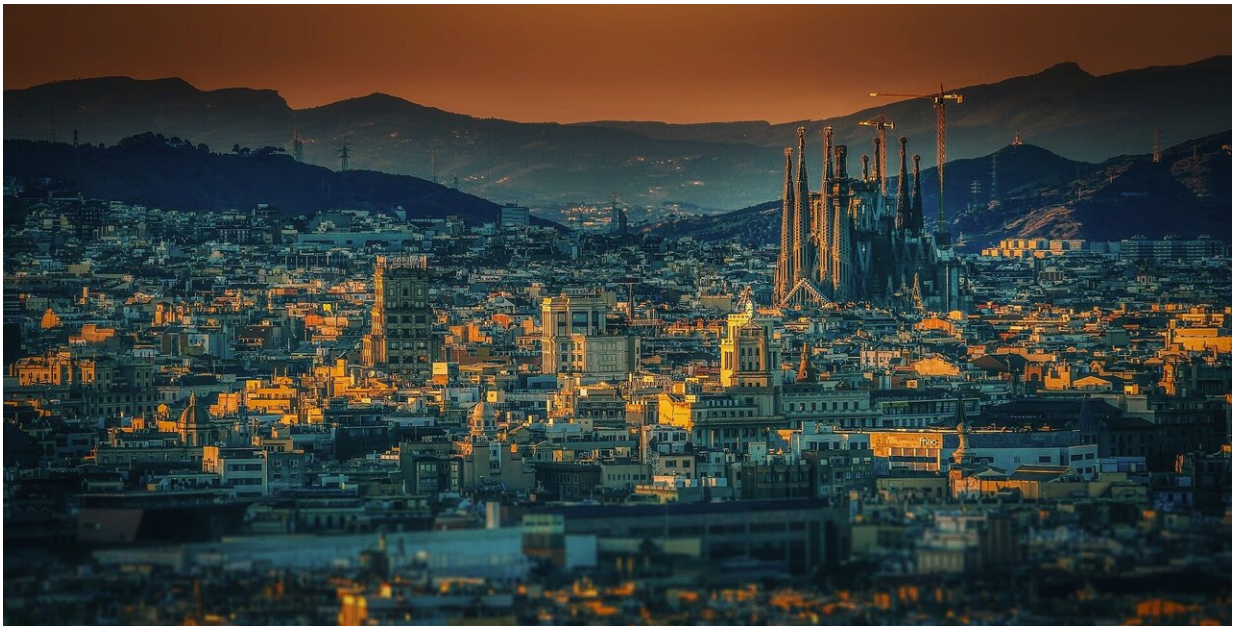


Spain aims EU funds for boost to electric car industry

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The Spanish government will invest 4.3 billion euros (\$5.1 billion) from its share of European pandemic recovery funds to revamp its automobile industry and steer it toward manufacturing electric vehicles and their components, the prime minister announced on Monday.

Pedro Sánchez said that the investment will be "a real revolution" for the Spanish economy, bringing in an estimated 19 billion euros (\$22.5

billion) in additional private investment.

His left-wing coalition government wants to inject the money in all segments of the car manufacturing chain, from lithium extraction to electric battery cell assembly lines, the leader of Spain's ruling socialist party said.

"The spontaneous functioning of the market is not going to achieve by itself the kickstarting of a new model that involves so many industries," he said.

Sanchez was speaking at an event to introduce the first of seven plans to transform Spain's industries with the 140 billion euros (\$166 billion) that the country is expected to receive over next six years from the EU's Next Generation funds.

"Our state needs to be an entrepreneurial state in a tight alliance with the main stakeholders," he added, announcing that the government will appoint an industry leader to lead the joint private and public efforts.

The Spanish Cabinet is set to approve the automobile plan in its weekly meeting on Tuesday. Companies will be able to apply for funding immediately after, with the first disbursements expected to arrive in September.

The plan aims to increase the industry's share of Spain's [gross domestic product](#) from the current 10% to 15% by 2030 and add new jobs to the pool of 2 million workers. It will affect companies beyond automakers or their suppliers, Sánchez said, including mining, telecommunications and power utilities.

The [prime minister](#) also said that the country is investing 1 billion euros in stimulating electric vehicle sales and that a public investment of

another billion euros will go to install new public electric plug-in points, of which the country has only a few.

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