

France opens its first electric car battery factory

May 30 2023, by Caroline Nelly PERROT



French FM Bruno Le Maire said Europe must 'flex its muscles' in the industrial sector.

France launched its first factory for electric vehicle batteries on Tuesday, taking a big step in its race to build up a sector dominated by

China.

The plant in Billy-Berclau is the first in a clutch of factories that are due to open over the next three years in a northern corridor billed as a "Battery Valley" for the rapidly growing industry.

The "gigafactory" is owned by Automotive Cells Company, a partnership between French energy giant TotalEnergies, Germany's Mercedes-Benz and US-European automaker Stellantis, which produces a range of brands including Peugeot, Fiat and Chrysler.

French Economy Minister Bruno Le Maire, who attended the opening ceremony, likened the factory to the creation of Airbus, which turned Europe into a powerhouse in the aircraft manufacturing sector.

"The European Union must flex its muscles" in terms of industry as "China will give no quarter", he said.

German Transport Minister Volker Wissing said the facility, along with two other ACC factories due to open in his country and Italy, will ensure that "Europe remains at the forefront of global progress tomorrow".

The heads of Mercedes, Stellantis and TotalEnergies also attended the event.

Building up the [battery](#) industry is at the heart of President Emmanuel Macron's "reindustrialisation" plan for France.

The ACC factory is the length of six football pitches. Production is due to begin this summer.

'Battery Valley'

Europe is racing to step up its production of batteries and [electric vehicles](#) as the European Union has set a 2035 deadline to phase out the sale of new fossil fuel cars.

Around 50 battery factory projects have been announced in the EU in recent years as the bloc scrambles to meet its goal of becoming climate neutral by 2050.

The ACC factory is the first of four due to open in the burgeoning "Battery Valley" in the Hauts-de-France region.

Sino-Japanese group AESC-Envision is building a plant near the city of Douai which will supply French automaker Renault from early 2025.

French startup Verkor is scheduled to begin production at a facility in Dunkirk from mid-2025.

Taiwan's ProLogium has also chosen the [coastal city](#) for its first overseas factory, with output to start in 2026.

The French government has set a target of producing two million electric vehicles per year by 2030.

The ACC plant is expected to supply 500,000 vehicles per year by then.

China, US competition

France hopes to produce enough batteries for its car industry by 2027 and later become an exporter.

But it faces higher energy costs than China or the United States.

China is the world leader in electric car battery production and also

dominates the production of the raw materials needed to make them.

Europe also faces stiff competition from the United States, which is heavily subsidizing the sector through the Inflation Reduction Act, which includes \$370 billion in clean energy incentives.

Out of the seven billion euros (\$7.5 billion) invested for the ACC project, 1.2 billion euros came from public funds.

While Battery Valley is expected to recruit more than 20,000 people in the next few years, French unions worry about the electric vehicle industry's impact on jobs.

Some 100 people staged a protest on Tuesday against the planned closure of a Stellantis site in Douvrin.

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