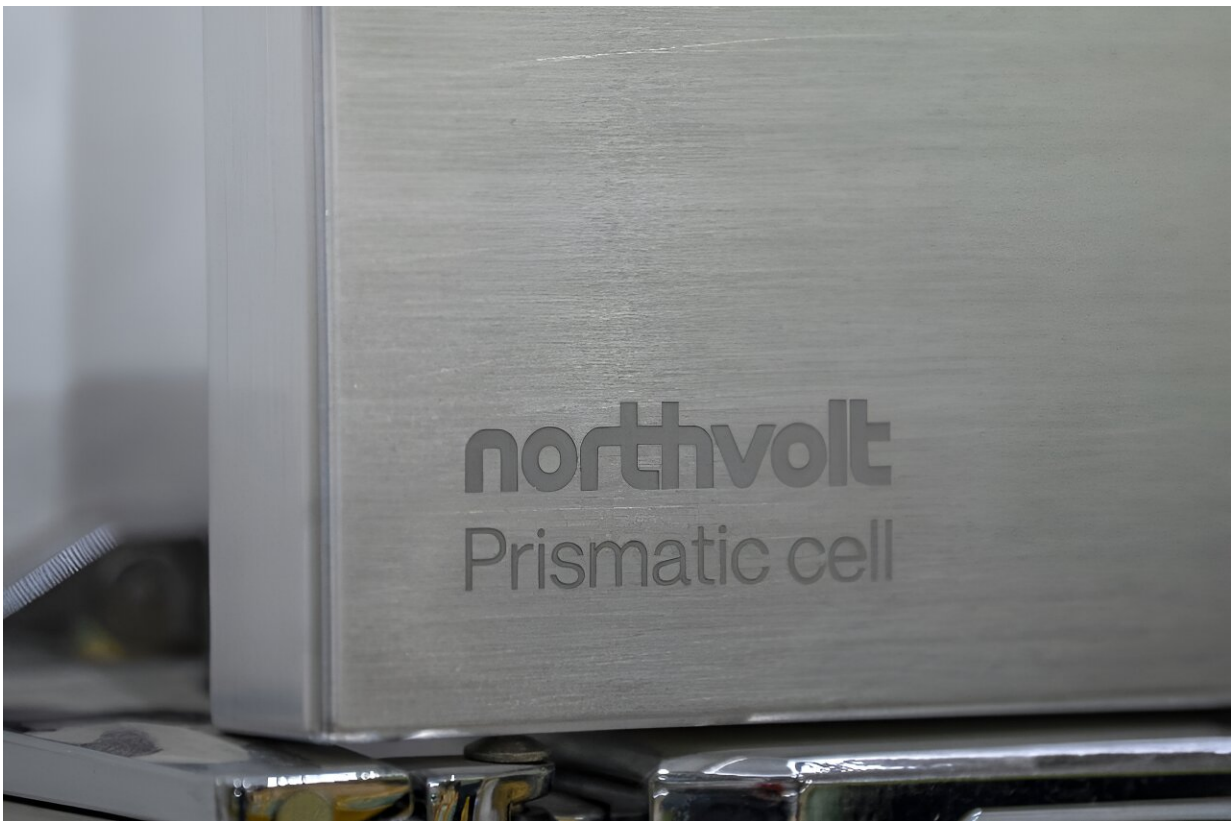


Battery maker Northvolt to cut jobs, slash operations

September 9 2024, by Etienne FONTAINE



Northvolt's announcement comes as sales of electric cars are slumping in Europe.

Beleaguered Swedish electric car battery maker Northvolt said Monday it would cut its workforce as it scales back operations to focus on its

main gigafactory in Sweden.

The announcement comes as sales of electric cars are slumping in Europe and the continent lags far behind China in the production of batteries.

"We are having to take some tough actions for the purpose of securing the foundations of Northvolt's operations to improve our [financial stability](#) and strengthen our operational performance," chief executive Peter Carlsson said in a statement.

According to business daily Dagens Industri, Northvolt's financial situation deteriorated significantly at the end of the summer.

Northvolt said it was putting a facility that makes cathode active material at its main Swedish site in Skelleftea "into care and maintenance until further notice".

The move comes on the heels of Northvolt's recent announcement that it was scrapping plans to build a facility to produce [battery](#) materials in Borlange, Sweden.

"The cost-saving mechanisms necessary for Northvolt to meet its core objective of focussing on large-scale cell manufacturing will regrettably include some difficult decisions on the size of our workforce to match the needs of a reduced scale of operations," the company said in a statement.

"As difficult as this will be, focusing on what is our core business paves the way for us to build a strong long-term foundation for growth," Carlsson said.

It did not say how many jobs would be cut.

Northvolt had 5,860 employees at the end of 2023.

Northvolt said the macroeconomic environment was "challenging", and Carlsson cited a need to "improve our financial stability and strengthen our operational performance."

Carlsson stressed that despite the setback, "there remains no question that the global transition towards electrification — and the long-term outlook for cell manufacturers, including Northvolt—is strong."

Revised timelines

The company said it remained committed to its large-scale cell manufacturing at its sites in Gothenburg, Sweden; Heide, Germany; and Montreal, Canada.

However, "potential revisions to the timelines of these projects will be confirmed during the fall, along with any further necessary cost-saving actions."

Northvolt is a cornerstone of European attempts to catch up with China and the United States in the production of battery cells, a crucial component of lower-emission cars.

But the battery maker has also been plagued by production delays.

In May, BMW dropped an order worth 2 billion euros (\$2.2 billion) with Northvolt due to these delays.

In Sweden, the battery maker has also faced scrutiny over concerns about work safety at its sites, with Swedish police currently investigating a number of unexplained deaths of factory workers, who died after working at the plant in Skelleftea.

Europe accounts for just three percent of global battery cell production—which China dominates—but it is aiming to catch up and has set its sights on 25 percent of the market by the end of the decade.

Europe has been racing to produce more [electric vehicles](#) as part of its green transition, with the clock ticking down on an EU deadline to phase out the sale of fossil fuel-burning cars by 2035.

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