

“You Need Staying Power”

30/05/2025 An interview on the state of the European battery industry.

The Stuttgarter Zeitung spoke with Robert Heiler of Porsche Consulting about the challenges currently facing Europe’s battery sector. Despite recent setbacks, there’s still reason to be optimistic.

Mr. Heiler, the Swedish startup Northvolt has gone bankrupt. Porsche has halted its plans for a gigafactory, and even ACC—a consortium including Mercedes—has scaled back. Is Europe’s battery industry collapsing before it really got started?

It’s true that when you only look at the headlines about bankruptcies and cancelled projects, the situation seems bleak. But we’ve taken a step back to look at the bigger picture over the medium and long term—and that tells a different story.

What does that story look like?

Two or three years ago, the mood was euphoric. At the time, planned battery factory capacities in Europe added up to around 1.6 terawatt-hours per year by 2030. That number no longer seems

realistic. But there are still ongoing projects accounting for about 1.1 terawatt-hours. Not all of them will materialize, of course. Taking typical risks into account, we expect around 740 gigawatt-hours of capacity by the end of the decade—up from about 200 gigawatt-hours today.

Who is building these factories?

European, Chinese, and Korean companies. The biggest shares will likely be held by European and Chinese players, with Korean companies in third—though right now they still have the largest local footprint in Europe.

Where do China and South Korea currently have the edge, technologically?

Their advantage lies in the entire ecosystem needed for large-scale battery production. They've got incredibly experienced R&D teams that can rapidly develop new technologies and platforms. Their production teams know how to bring a new manufacturing line online and operate it at very high efficiency. And crucially, they're closely tied to the raw material supply chain and deeply invested in every component of the process.

Even so, are you confident Europe can catch up?

Yes, I'm optimistic. Frankly, we don't have much of a choice. There's a lot to be done, and progress needs to be made on many fronts at once. But given enough time and commitment, I believe it's achievable.

Right now, supply outpaces demand for EV batteries. Margins are tight. Why would anyone invest in this environment?

We see this overcapacity as a temporary phase. Demand is expected to catch up over the next five to six years, and capacity growth will align with that. But yes, investing in battery production is a long game. This isn't a business where you turn a profit in two years. You need staying power and a long-term strategy.

In the stationary storage sector, China doesn't just supply the battery but delivers nearly turnkey systems. Could something similar happen in the EV market—and does that pose an existential threat to German automakers?

There's no question that traditional automakers are under pressure. Everyone has to find a way to position themselves successfully in the EV landscape. But they've weathered serious crises before and come out stronger. I believe they'll adapt again.

You are Chairman of the Battery Show Europe in Stuttgart. What is your core message in that role?

We need clear strategies and a long-term vision—over five to ten years—at every level: as individual

companies, as a society, and across Europe. Each company needs to define the role it wants to play in this space and stick to that course. That might include forming partnerships and learning from established Asian manufacturers to build critical capabilities. It's also the job of policymakers to put the right framework in place. This is about more than just finding the cheapest battery for your car. We need to build an ecosystem where raw material suppliers, equipment manufacturers, cell producers, and automakers all work in sync toward a shared goal. This is still a young industry, and there's no shortage of ideas.

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