DILEMMA

Dear Reader,

Germany's dream of being the leading market for electric mobility is finally over. If one goes along with the clear statements by Dr. Christoph Theis and Markus Hackmann in our interview on page 16, the political and industrial efforts to become, above all, a leading supplier of automotive battery cells have also failed.

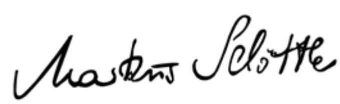
The engineers from P3 Ingenieurgesellschaft are not alone in this opinion. More and more experts are now expressing their criticism of failed industrial policies, although with the difference that Dr. Theis believes that the economic and commercial damage is irreversible. He is worried about Germany will miss the boat concerning its national goal of a local cell production, if nobody would act now.

More such realism would have been appropriate years ago, many opinion leaders now claim. However, this criticism falls short of the mark, as there was no alternative at that time. But if Germany still has ambitions to somehow gain a foothold in this industry, at least in the long term, it now faces a dilemma. Imagine that you have to produce millions of battery cells and you know from the outset that nobody is going to buy them. Cell experts describe this somewhat bluntly as "training". Only large-scale mass production would provide the necessary experience to be able to develop future battery generations at all.

But it is not only German industry that is in this dilemma. There are only few winners among the ranks of cell manufacturers. The leading suppliers come from Korea and Japan; in a few years' time there will be only three of the previously fifteen – and now ten – favourites left, according to the forecast by P3 Ingenieurgesellschaft.

So what perspectives do we actually still have in Germany? Can we hope that an Asian manufacturer will start production in Germany, bringing important parts of the value creation chain back into the country, including cell development? In that case, German battery research, which is recognised throughout the world, would come into its own.

Production, on the other hand, would take place only in the booming markets and therefore not in Germany. Industrial policy should have created the conditions for a sales market. Nobody should mention the word incentivisation at this point. Experts firmly believe that valuable money has been wasted on projects that have no perspective, instead of introducing success-oriented subsidies. Success-dependent means that funds are provided only when the job has been done. A subsidised electric car rewards both groups: the OEMs for their courage to risk something new and customers for being among the first. That is how markets are stimulated.



MARKUS SCHÖTTLE,
Vice-Editor in Chief
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