Ursula von der Leyen
President of the European Commission

Stéphane Séjourné
Executive Vice-President for Prosperity and Industrial Strategy

Maroš Šefčovič
European Commissioner for Trade and Economic Security; Interinstitutional Relations and Transparency

Wopke Hoekstra
European Commissioner for Climate, Net Zero and Clean Growth

30 September 2026

The litmus test for "Made in Europe"

Dear President von der Leyen,
Dear Executive Vice-President Séjourné,
Dear Commissioner Šefčovič,
Dear Commissioner Hoekstra,

By 2021, Europe started to get serious about trying to establish a European battery value chain. European companies invested billions based on promises by EU leaders that their factories were essential to Europe's future resilience and prosperity. Those promises were put into law, through the EU-UK Trade and Cooperation Agreement (EU-UK TCA).

The EU-UK Trade and Cooperation Agreement (TCA) is a miniature Industrial Accelerator Act (IAA) that pursues a similar demand-side logic as the upcoming IAA. By requiring electric cars to use European batteries and cathodes to qualify for tariff free imports, the EU-UK TCA created a commercial reason to buy European-made battery materials and ramp up production in the EU and the UK.

However, European carmakers were slow to back investments in the supply chain. On their request, in a pre-Christmas deal in December 2023, the EU and UK exceptionally granted a postponement of the rules for three years to give the value chain more time. The decision they adopted together was explicit: "No further postponement of the incoming rules should be considered." The deal also restricted the possibility to change those rules before 2032.

Maroš Šefčovič, then a Commission Executive Vice-President now the European Trade Commissioner, promised "legal certainty on the applicable rules". Companies were assured the extension was a one-off. They took that promise to the bank. Investors acted on those assurances. The question now is whether policymakers will honour them. Legal certainty is easy to promise in speeches. For it to influence investment decisions, it has to survive contact with reality.

The European automotive sector is now, again, asking for the rules not to be applied. Just three months before their entry into force, they demand the rules be postponed again, claiming the EU battery supply chain isn't ready. European carmakers would have it both ways. They could keep buying cheaper Chinese materials and enjoy tariff-free access to the UK market. Meanwhile, the business case for European suppliers would be left by the roadside.

In their letter to the EU institutions, ACEA, European Automobile Manufacturers' Association, itself acknowledges that the sector could be accused of acting in bad faith regarding an integrated supply chain for batteries in Europe. Indeed.

But it's much bigger than just bad faith. This is the litmus test for whether Europe's industrial policy is to be taken seriously.

European battery material suppliers are already producing the key cathode materials. RECHARGE, the European battery industry association, projects that there will be 121,000 tonnes of EU cathode-material capacity in 2027, against an estimated demand of 52,000 to 75,000 tonnes to meet the TCA requirements. What European suppliers need is for carmakers to buy their materials.

The European Commission needs to hold the line here. The way they treat the so-called EU-UK TCA rules is a direct precursor to the upcoming Industrial Accelerator Act. A new delay would strike a huge blow to Brussels' "Made in Europe" ambitions.

Investment committees will think twice about building factories here if rules underpinning demand disappear just as they begin to bite. Come 2027, the permanent TCA rules of origin must apply, with no ifs or buts. Not only for the sake of a battery value chain, but for the future of European manufacturing, jobs, prosperity and resilience. It would demonstrate European leaders don't just do speeches on strategic resilience but are serious about their ambitions. The world is watching.

William Todts

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