



Franco-German press release

following the interview between Ministers Le Maire and Altmaier, 18 December.

Bruno Le Maire, Minister of Economy and Finance, met with Peter Altmaier, German Federal Minister for Economic Affairs and Energy, on Tuesday 18 December in Paris. Before the Ministerial Conference of the Friends of Industry, Peter Altmaier's visit aimed at highlighting the importance of industrial cooperation between France and Germany. Industry is at the heart of Europe's economic power. It creates jobs and prosperity and stands as an example for the benefits of the European Single market. Furthermore, the ministers stressed the significance of EU cooperation for seizing the opportunities of key technologies of the future and disruptive innovation for the competitiveness of European industry.

During their meeting, the ministers underlined the necessity for the European Union to rely on its industry to boost competitiveness and innovation in challenging times of digital transformation, climate change and fierce international competition. To this end, industrial policy ought to be streamlined and strengthened across the European Union by actively pursuing the "further deepening of the EU single market and promoting world class competitiveness of industry", following on from the German-French Meseberg agreement in June 2018.

Ministers from EU Member States in charge of industrial policy and competitiveness will discuss priorities and industrial policy actions at the Friends of Industry Conference. It is their aim that the European Union gets a renewed and ambitious industrial policy without further delay.

On key industrial questions, unilateral answers won't be enough. We need coordinated actions between Member States, following the example of the future Important Project of Common European Interest (IPCEI) on microelectronics. Both governments welcome the official approval by the European Commission. Other possible areas where joint EU Member States' initiatives would deliver European added value by being more effective could include: physical and digital infrastructure, R&D and innovation policy and the promotion and protection of strategic value chains as well as of key technologies.

France and Germany are committed to increasing their industrial cooperation in three key areas: battery cell production in Europe, disruptive innovation and artificial intelligence.

Innovative and environmentally friendly industrial battery cell production in Germany and France

Battery technology is a key enabling technology which will be indispensable across all areas of industrial value creation, particularly for the electrification of transport systems, storage of renewable energy, and electricity use in private households.

In a social market economy it is primarily the job of private companies to develop new technologies and make them ready for the market, and thus also to develop and establish industrially competitive battery cell production.



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The governments of Germany and France will cooperate to develop a common approach for establishing an innovative and environmentally friendly industrial battery cell production in Europe which we want to elaborate in greater detail and implement over the next few months.

In order to achieve these objectives, France and Germany will together support the development of large projects at European scale, alliances which are currently being formed. France and Germany will work at full speed to develop industrial cooperation partnerships. The objectives will be laid down in the German – French declaration on battery cell production, and possible financial support will be examined as soon as the precondition of stable and sound economic requirements are met. Project proposals may qualify as Important Project of Common European Interest (IPCEI).

Breakthrough innovation

France and Germany commit to seizing the opportunities that breakthrough innovations offer to boost economic growth and technological leadership as well as to overcome societal challenges in a more volatile world.

A close cooperation between both countries is of utmost importance to help tackle these challenges and develop new approaches to funding and building upon disruptive technologies.

Furthermore, France and Germany will jointly bring these issues up in the framework of the European Innovation Council at the European level, while aiming at a smart interplay between national and European levels.

Artificial Intelligence

France and Germany jointly aim at strengthening European competitiveness in artificial intelligence (AI) and promote a human-centred application of AI technologies in accordance with European values of democracy, private public partnerships and the social market economy. Therefore they agree to promote Franco-German cooperation in research and development as well as in the application of artificial intelligence by structurally underpinning their partnership with a common research and innovation network.

To this end, they today established a joint working group on AI collaboration. As a first step, the working group will focus on bilateral activities which will include *inter alia* cross-border experimental zones; access to and use of data; joint initiatives to cooperate on technical and ethical standards, the exchange of best practices to achieve transfer of knowledge into businesses with special concern for small and medium enterprises. This Franco-German initiative shall pioneer the European efforts based on the Coordinated Plan on AI by the European Commission.



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German-French declaration on Battery Cell Production

1. The demand for mobile and stationary electricity storage is growing rapidly around the world. Battery technology is a key and will be indispensable across several important areas of industrial value creation, particularly for the electrification of transport systems, storage of renewable energy as well as mobile electronics and tools. The effects on value chains and for the economy are huge. The ability to use this technology in a large variety of applications and on a large scale is crucial in order for France, Germany and Europe to sustain a competitive industry.
2. The Federal Government of Germany and the French Government agree that in a social market economy it is primarily the responsibility of private companies to develop new technologies and make them ready for the market, and thus also to develop and establish a competitive industrial battery cell production. The task of the governments is to create the right environment for these developments to be made and to provide start-up support for a limited period of time.
3. Battery cells need to set international benchmarks by
 - providing high energy density and performance at competitive prices;
 - offering a long lifespan and a high number of charging cycles;
 - being produced and later disposed of in a sustainable and environmentally compatible manner, e.g. low carbon footprint from production and logistics and high level of recyclability, and
 - being manufactured under fair working conditions across the entire value chain, from the extraction of raw materials right through to disposal.
4. The Federal Government of Germany and the Government of France in cooperation with the EU-Commission will develop a strategic approach for establishing an industrial battery cell production in Europe which will be elaborated in greater detail over the next few months. In order to achieve these objectives, the Federal Government of Germany has reserved €1 billion Euro up to 2022 to support the development of battery cell production in Germany. France has also confirmed its readiness to dedicate substantial financial support for battery cell projects in France, in particular through the Program of Investments for the Future, and initiated collaborative work between car manufacturers, energy, chemical and mineral companies in the framework of the National Industry Council. Respective project proposals may qualify as an *Important Project of Common European Interest (IPCEI)*, thus its funding framework could be set according to this special European Commission state aid scheme.
5. The industrial sector is working at full speed to develop industrial cooperation partnerships on innovative and sustainable battery cell projects. Currently, various possible consortia are being observed. They will all be examined in detail under the condition that the enterprises and partners

involved meet economic and state aid preconditions. Governments will then identify possible supportive measures.

6. Therefore, the Sides have come to the following understanding: The objective of a French-German Cooperation shall be focused on the support of cooperation between companies, research institutes and platforms in the field of battery cell production and across the value chain, from the raw materials suppliers to the car manufacturers, with clear commitments of the parties. Specific fields of cooperation between Germany and France shall include but are not limited to industrial aspects of battery cell production and related technologies, European regulatory issues such as state aid policy (esp. with regard to IPCEI and cooperation within the European Battery Alliance). Supportive measures are to be considered under the precondition that stable and sound economic requirements are met.
7. The Sides will foster the development of industrial consortia in close cooperation with the European Commission and the other Member states involved. They will assess the ability of these consortia to meet the requirements for an IPCEI, as well the high level objective of establishing an industrial battery cell production in Europe. Relying on progress with respect to the ongoing discussions between industrial co-operations aiming to set up industrial battery cell capacities in Europe, France and Germany aim to identify credible consortia including car manufacturers in order to take a decision before end of first quarter 2019. In the spirit of the IPCEI-rule these consortia might include industrial corporations from other EU-Member States. The consortia should announce detailed investment plans which are sufficiently reliable to serve as a financial base to be scrutinized by governments and the European Commission with the goal to obtain approval as an IPCEI so that approval by the Commission can be given as soon as possible in the first half of 2019.
8. Cooperation under this declaration will be subject to and dependent upon the availability of the funds and resources of each Side. The Sides should bear the costs that they each incur themselves, unless otherwise approved in writing.

Berlin and Paris, Federal Republic of Germany and Government of France, 18th December 2019

For the Federal Ministry
for Economic Affairs and Energy of the
Federal Republic of Germany

Peter ALTMAIER

For the Ministry
for Finance and Economic affairs
of France

Bruno LE MAIRE