

**Question for written answer E-002725/2024
to the Commission**
Rule 144
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Subject: Lack of industrial strategy

The recent bankruptcy filing of Northvolt, a key company involved in developing electric vehicle batteries in Europe, is evidence of the absence of a sound industrial strategy to compete with Asian and US giants. Despite receiving significant public investment, the company failed to compete with the Asian giants in innovation, scalability and efficiency. This collapse coincides with the cooling of the electric vehicle market and underlines the urgent need for a strong supply chain in Europe to avoid technological and economic dependence on China.

Although the project received significant public support, the fragile balance between high investment, market expectations and inexperience in scaling up led to this failure. It is crucial for the EU to reassess its policies for supporting the automotive sector, ensuring that resources are invested with long-term vision and clear priorities to avoid future risks.

In view of the above, can the Commission answer the following:

1. Is a review of public funding mechanisms being considered to ensure a more efficient and strategic use of resources?
2. What strategies are being assessed to mitigate the impact of this failure on the European automotive industry?

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