

BRUSSELS MAY DECIDE LITHIUM IS TOXIC

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“The European Commission may rule lithium to be toxic. If it does, there will be widespread

repercussions for Europe's fledgling EV car and battery industries."

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According to [Rystad Energy](#), lithium may soon be classified as a toxin in Europe:

A potential European Commission (EC) act to classify lithium as a Category 1A reproductive toxin in this year's fourth quarter could undermine the European Union (EU)'s attempt to create and support a domestic battery materials supply chain.

The Commission's consideration of lithium as a toxic substance is based on [a report published by the European Chemicals Agency \(ECHA\)](#), which deems multiple lithium subgroups as known or "potential hazard[s] for reproductive toxicity." Chinese [SMM News explains](#) that the ECHA report, if acted on by the European Commission, would not outright ban lithium imports, but

will lead to more stringent requirements for processing, packaging and storage of lithium-related products compared to the past, increasing the costs of lithium processors.

A final decision by the Commission may not come until early 2023. A move to classify lithium as a reproductive toxin would come in the thick of Europe's supposed transition from vehicles with internal combustion engines to electric-powered automobiles. These plans, which are already underway, include investments in lithium-battery production. In

March 2021, [Deutsche Welle reported](#) that the EU had announced plans

to create millions of new jobs as industries across the continent increase capacity to supply lithium-ion batteries needed for electric vehicle production.

One of the new battery producers, Swedish-headquartered Northvolt, is rapidly expanding its production capacity. In March, they [announced plans for a manufacturing plant in Germany](#), in addition to its existing operation in Sweden and Poland. In 2019, the company got a €350 million loan [from the European Investment Bank](#). The Swedish government [has also invested in the company](#).

Public funds are also being used to finance production of electric vehicles. As of 2020, the European Investment Bank had invested [nearly €800 million in electric-vehicle production](#) by Fiat Chrysler (later Stellantis).

A standard EV battery pack contains [approximately 11 kilograms](#) of lithium. To replace all of [Europe's 246.3 million passenger cars](#) with electric vehicles would require approximately 2.7 million tons of lithium. As of June 20th, the spot price of lithium stood at 477,500 yuan, or approximately €66,850, per ton.