

LITHIUM PRICE: BATTERY CAPACITY OF ELECTRIC CARS DOUBLES FROM LAST YEAR

Frik Els | May 6, 2019 |



Global car market is at a crossroads.
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Battery metals tracker [Adamas Intelligence](#) says that in March 2019, battery capacity deployed worldwide in battery electric cars (including hybrids) nearly doubled from the same month last year.

The Dutch-Canadian research company, which [tracks EV registrations and battery chemistries](#) in more than 80 countries, says 9.76 GWh of passenger EV battery capacity was deployed globally – a 94% year-over-year surge:

This increase in battery capacity deployed is especially remarkable when considering that global EV sales increased by a mere 25% over the same period, speaking to the fact that a far greater number of high-capacity battery EVs (like the Tesla Model 3) were sold this March than the last.

Adamas says based on data from its [EV Battery Capacity Monthly](#) study, the sales-weighted average capacity of batteries used in electric cars was 55% higher in March compared to 2018.

All indicators point upwards, except the price

Not only has overall battery capacity grown, lithium's share per kWh has also expanded due to an [ongoing shift](#) from lithium iron phosphate (LFP) to nickel-cobalt-manganese (NCM) cathodes among Chinese vehicle makers.

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China's automakers association predicts sales of electric cars in China will reach a record 1.6 million units this year – up from 1.2 million in 2018 – representing around half of global sales. [Bloomberg reports](#) there are now 486 EV manufacturers registered in China – more than three times the number two years ago.

Full electric and plug-in hybrid vehicles are also taking market share from traditional hybrid vehicles, meaning that a greater share of kWh deployed this year was in the form of Li-ion cells, as opposed to NiMH cells, which contain no lithium, according to Adamas.

The decline has levelled off, but lithium prices remain under pressure despite the surge in global demand for lithium-ion battery vehicles. The lithium price index compiled by battery supply chain research and advisory firm [Benchmark Mineral Intelligence](#) retreated in April and is now down 38% over the past year.

The free-on-board price of lithium carbonate exported from South America's brine lakes now sits at \$12,750 a tonne, while spodumene concentrate (6% lithium oxide) from hard-rock lithium mines in Australia is priced at \$640 a tonne, down 27% so far in 2019.

