

# Industrial policies and investment decisions of MNEs in the lithium battery global value chain

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Over the last fifteen years, resilience-oriented restructuring policies and investment regulatory frameworks have played a relevant role in shaping Global Value Chains (GVCs) and MNEs' strategic choices, with heterogeneous effects across different policy instruments, industries and locations.

Focusing on the GVC of lithium batteries (LB), this paper analyses the relationship between the major industrial policies adopted in the last decade and the investment decisions undertaken by MNEs in three major regions for the LB industry (namely, China, the EU, and the USA).

First, we present a comprehensive recollection of the industrial policy instruments designed and implemented over the period 2012-2022, and propose a classification for the policy instruments tackling the LB industry. Second, we carry out an empirical analysis linking the change in policy instruments and the investments and deals undertaken by LB MNEs in the EU, US and China.

Very preliminary results show that the role of policies appears to be a factor in shaping the LB GVC configuration, especially in the EU and the US. Indeed, *Demand-side* policies attract new investments, while *Sustainability* policies trigger the expansion of the existing plants. In addition, new investments seem correlated with *Sustainability* policies in the US and with *Supply-side* policies in the EU.