

Battery Supply Chain Gaps in the Southeast United States

May 2025



The Southeast United States is rapidly becoming a central hub for battery and electric vehicle (EV) manufacturing. Major automakers like Ford, General Motors, Hyundai, Mercedes-Benz, and Volkswagen have established large EV assembly plants in the region. While vehicle and stationary storage battery production grows, critical parts of the battery supply chain lag behind, leaving the region vulnerable and dependent on imports.

Key Supply Chain Gaps



Processing & Refining

The region lacks facilities to process and refine key minerals essential for battery production, such as lithium, nickel, cobalt, and graphite. As a result, these refined materials must be imported from overseas, particularly China, limiting economic benefits and regional autonomy. While lithium-hydroxide processing is anticipated in the later 2020s, there are a lack of refineries in the pipeline for other critical materials.



Battery Components Manufacturing

Despite robust vehicle production and battery assembly, the region still largely relies on import markets for separator film, electrolyte salts, foil rolling and large-scale anode coating. New cathode and synthetic graphite production is expected in the later 2020s.

Consequences of Existing Gaps

Economic Leakage

Reliance on imported materials and components means that economic growth, job opportunities, and community benefits are lost to other countries.

Supply Chain Vulnerability

Dependence on overseas supply chains makes the region susceptible to disruptions from global events, geopolitical tensions, shipping delays, and market volatility.

Limited Growth

The lack of local upstream production may slow the region's long-term growth in the EV industry, undermining the region's advantages.

Key Supporting Activities



Research & Development

The region provides a strong foundation for advanced battery research. Strategic R&D expansion can further accelerate innovation while deepening workforce expertise and furthering the region's position as a battery leader.



Transportation & Logistics

Productive supply chains require efficient shipping and transportation, affordable and reliable energy, and well-maintained infrastructure. These features are key to the healthy and rapid expansion of the supply chain in the Southeast U.S.