

The Value Challenge

A need to think differently about the tension between consumer expectations that EV prices will fall and the lithium industry's reward for taking risk.

Possibly never before has the resources sector been so closely connected to consumers as it is through the lithium-ion battery. With this close connection comes a once in a generation opportunity. It also brings far reaching challenges as a consequence of consumer's expectations:

- Purity – batteries need to be safe under all conditions of use which requires that their chemical constituents contain almost zero impurity
- Sustainability - production processes should be carbon neutral
- Value - an expectation that price per unit of performance will fall with time.

Purity and sustainability will be familiar to those who have attended recent conferences about battery chemicals. Value could surprise, as few of us like to accept that prices could fall. However, this issue will become a potential source of tension between automakers eager to attract consumers and lithium suppliers keen to be rewarded for taking risks.

How the lithium supply industry could help reconcile this tension is the subject of this keynote address. The scale of the growth which is envisaged and the need to think differently as source of energy rather than an industrial raw material calls for a different approach.