**VinFast Signs Agreement to Recycle EV Batteries in India**

Vietnamese electric vehicle firm VinFast has advanced its entry into the Indian market via an agreement with BatX Energies, the largest lithium-ion battery recycling firm in India, to [recycle electric vehicle batteries](https://finance.yahoo.com/news/manufacturer-strikes-agreement-address-major-131500552.html) in the country. A recent report from [*Express Drives*](https://www.financialexpress.com/auto/car-news/vinfast-auto-batx-energies-partner-for-battery-recycling/3911068/) notes that the battery recycling company will be in charge of recycling high-voltage EV batteries, recovering reusable material, and repurposing them for secondary applications. The report comes weeks after VinFast [paused its expansion](http://v) into Western markets amidst significant competition, negative media attention, and numerous operational challenges.

Although electric vehicles still account for a tiny portion of global vehicle sales, they are expected to play a key role in the future of vehicular transportation as global efforts to decarbonize energy-intensive industries intensify. With the transport industry generating [at least 30%](https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions) of global greenhouse gas emissions worldwide, electrifying the sector will be critical to cutting emissions and achieving carbon neutrality. Compared to internal combustion engine (ICE) cars, which run on petrol and diesel and produce tailpipe emissions, EVs are a much cleaner alternative that produce zero emissions at the tailpipe.

Including VinFast, dozens of companies across the globe are now trying to establish themselves in the nascent electric vehicle sector, especially in large markets like the US. However, VinFast was unable to adequately compete in the US market, and its short run in the country ultimately cost it over $10 billion in operational losses. Now that the company has pivoted to the Indian market, it seems to be addressing one of the greatest challenges involved in electric vehicle manufacturing, material sourcing. EVs require several rare raw materials in their production, particularly the batteries, and their cost often makes up a large portion of the total expenses involved in EV manufacture. Extracting these raw materials often has major [negative environmental consequences](https://www.visualcapitalist.com/life-cycle-emissions-evs-vs-combustion-engine-vehicles/).

Furthermore, used electric vehicle batteries can contribute to environmental degradation if they are not properly disposed of. Recycling such batteries for their materials would make VinFast’s production pipeline more eco-friendly, especially now that advancements in recycling technology allow for over 95% recovery rates. It will also make the company less reliant on the global EV battery supply chain, which has been monopolized by China and often experiences volatility due to strategic export bans by Beijing. The Vietnamese EV maker will have to use every trick it can to compete against companies like BYD and Tesla and gain an adequate foothold in the Indian market.

VinFast Asia CEO Pham Sanh Chau says the company’s partnership with BatX Energies represents a notable step in its quest to build a circular and sustainable electric vehicle battery ecosystem in the Indian market. He notes that VinFast’s vision of sustainability is about more than just building electric cars, it is about maintaining “environmental responsibility” through every stage of the lifecycle. Teaming up with BatX will help VinFast become more resource independent, bring it closer to achieving its national priorities, and set a standard for combining electric mobility with responsible innovation.