

Germany clinches investment for huge lithium cell factory

Chancellor Merkel and Premier Li Keqiang present to witness signatures on investment agreement

Berlin, Erfurt (GTAI) - Contemporary Amperex Technology Ltd. (CATL) founder Dr. Robin Zeng and Thuringia's Minister for Economic Affairs Wolfgang Tiefensee signed an investment agreement on Monday, for the set-up of a lithium cell factory in the former eastern German state, under the eyes of German Chancellor Angela Merkel and Chinese Premier Li Keqiang.

CATL's €240m investment will result in one of the largest lithium cell factories in Europe, creating some 600 jobs in the region over the next four years. It is the company's first factory outside of China, described by Tiefensee as 'the most important investment in his state for a decade.' Its meaning for Germany is also significant.

"This is the largest-ever Chinese greenfield investment project in Germany," said Dr. Robert Hermann, CEO of federal economic agency Germany Trade & Invest (GTAI), who assisted CATL during the location-finding process. "We are delighted that CATL has brought its plans for cell and battery production to Germany. Germany is a global leader in the automobile industry and the government is investing heavily in promoting e-mobility. There are currently 29 different e-car models from German producers on the market. CATL's decision to settle in Germany not only brings it closer to German and other European carmaker brands, but also to a place where it can take advantage of the well-qualified expert workers and a first-class infrastructure. Without significant government support and the efforts of Thuringia's economic development agency, this success could never have been enjoyed."

CATL's investment is not intended to just help the German electromobility industry however. CATL Chairman Dr. Zeng saw opportunities across industry for his company's products and a strategic boost in terms of customer relations. "Building a smart battery plant in Germany is the first step in turning our European investment plan into reality. Building a production facility in Germany will also deepen the collaboration between the European OEMs and CATL," he said. "By bringing the most advanced lithium-ion battery technology to Germany and developing the local production capacity, CATL is strengthening its partnerships with customers. CATL is hence able to offer even better product solutions and faster response-times to our customers. We can also, as a result of this investment, react faster to customer requirements and offer them significant added value. We hope also that battery production in this area will give the economy and population in the region a boost. CATL is delighted to have been a contributor to the deepening trade and investment ties between China and Germany."

The investment is the largest foreign direct investment project to have gone through GTAI's offices for years. GTAI was involved from the point of location identification, as well as prior involvement with CATL in the opening of offices in Munich in 2014 and the opening of an R&D Facility in Berlin in 2017. "Germany was in competition with several other European countries for this factory investment when I talked to CATL a couple of years ago," said Markus Hempel, former Director of GTAI's Shanghai office and current e-mobility expert at GTAI. "But through extensive talks and multiple visits to different locations, we were able to convince the company leadership that Germany was the right place to invest. We are extremely proud."



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