

CHINA battery plant planned by LG Chem

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LG Chem will construct a joint venture battery production plant in China to fulfill rising demand there. LG said in a statement, LG Chem is in the final stage of choosing a strategic partner to establish a battery joint venture in China. "We will unveil the exact location of the venture and other details later." LG refused to name the potential Chinese partner, however said it would make a declaration soon. The plant will be LG Chem's third overseas battery plant. Under President Kwon Young-soo, the company has a battery plant in Korea that can produce 200,000 units a year, and a plant in Michigan in the U.S. LG Chem in addition has a factory in Nanjing, making small batteries for smartphones and other mobile devices. Demand for lithium-ion batteries is expected to surge, with the market projected to grow to \$26 billion annually by 2023.

The consistent and dependable performance of the rechargeable batteries more and more used in electric vehicles (EVs) partly lies in China's efforts to fight pollution and cut reliance on oil imports. Beijing intends to have up to 5 million EVs or plug-in hybrids across the country by 2020. Company spokesman Song Choong-sup said, "China leads the industry growth. LG Chem can't afford to lose that huge market." By directly operating a new battery plant in China, we will be able to meet demand from clients effectively." The company in addition said that it lately signed agreements with Shanghai Automobile and Industrial Corporation (SAIC) and Qoros to supply LG-manufactured batteries. SAIC is China's top automaker. Song would not give additional financial details or say which SAIC and Qoros models would use LG batteries. He said, "We can confirm that SAIC's plug-in hybrid EVs and Qoros's next-generation EVs will use LG batteries." The latest agreements take LG's battery clients to four, which makes it the industry leader in China. "The top three Chinese carmakers have become LG clients." "Those three LG clients collectively sold 10 million vehicles last year, accounting for 60 percent of the total. We are better positioned than other battery suppliers for a greater share in the booming EV market in China." LG Chem said that it had secured global 20 carmakers from General Motors, Hyundai-Kia to Ford and Volvo as clients, while rivals Samsung SDI and SK Innovation had four and three battery-selling clients respectively. LG Chem said that its batteries were guaranteed in terms of stability. Song stressed that the EV batteries had not caused any safety problems. Hyundai-Kia has sold 100,000 units of Sonata hybrid vehicles. Other automakers are selling more electricity-powered vehicles. In Asia, Nissan and Mitsubishi have also committed to using lithium-ion batteries across.

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