

Saxony-Anhalt holds its own in Europe-wide location competition

Globally leading Li-ion battery group Farasis announces to set up battery factory in Bitterfeld-Wolfen

Globally leading battery manufacturer Farasis Energy Inc. announced its intent to set up a battery cell, module and pack production facility in Bitterfeld-Wolfen in the administrative district of Anhalt-Bitterfeld in the coming years. By means of its newly founded subsidiary Farasis Energy Europe GmbH, the company will invest more than EUR 600 million in the new plant and create at least 600 new jobs in the completed facility. Beginning at the end of 2022, the production capacity is to be expanded continuously on an annual basis from an initial 6 to 10 Gigawatt hours (GWh) purely for electric vehicles. Saxony-Anhalt also welcomes the participation of Farasis Energy Europe GmbH in the interest declaration process of the Federal Ministry for Economic Affairs and Energy (BMWi) for a project of common European interest (IPCEI) in the field of battery cell production.

“The decision of Farasis to set up here and its intended major investment is a particularly important settlement success for Saxony-Anhalt as a location for business,” says Saxony-Anhalt’s **Minister of Economic Affairs, Prof Armin Willingmann, delighted**. “Saxony-Anhalt is developing into the state of future technologies; industrial electromobility is accelerating here.”

The investment decision had been preceded by a Europe-wide location competition. In negotiation rounds under the central leadership of Saxony-Anhalt’s Ministry of Economic Affairs and **State Secretary Dr Jürgen Ude**, the representatives of the US group were successfully convinced of Saxony-Anhalt as a location. “It was important to highlight to the investor both prospects for settlement and for future expansions, and to make clear the link we create between business and science in the state,” explains Ude.

“The settlement will create new, high-quality jobs; the associated value creation will have a sustained, positive impact on the economic development of the region as a whole. And, as is to be expected, it will also have a knock-on effect for further company settlements,” says Minister Willingmann. “This will benefit Saxony-Anhalt as a location for business, but also the science landscape in the state.”

Farasis was founded in California in 2002, employs more than 3,500 people worldwide and operates research centres in the USA as well as in China. There are currently two production plants in Ganzhou and Zhenjiang (China). Thus, Farasis is the third-largest manufacturer of batteries for electric vehicles in China and the world’s second-largest provider of batteries in pouch cell format.

The company says it is striving for continuous growth and sustained profitability by supporting its customers in product design optimisation so as to achieve optimal energy density (approximately eight times higher than with previous lead-acid batteries) and performance with the lithium-ion technology, accompanied by maximum safety.

Europe is the next destination of the company’s phased expansion. This year, the Stuttgart-based Farasis Energy Europe GmbH was founded. A team of experienced battery experts led the location selection for the European factory since the middle of last year. “We focused on four main groups of decision-making criteria. Of particular importance for us were the topics of location quality and environmental protection,” comments **Dr Maik Cordes**, Head of Business Development at Farasis Europe.

“After a long and intensive assessment of several dozen locations throughout Europe, we are now convinced that Bitterfeld-Wolfen in Saxony-Anhalt offers the best overall package for the sustainable production of Li-ion batteries for Farasis’s first European production site,” says **Sebastian Wolf**, Managing Director of Farasis Energy Europe, in summarising the decision for the federal state.