Lg chem beijing

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LG Chem, LG's electric battery making subsidiary, has formed two joint ventures (JVs) with Huayou Cobalt in China for stable supplies of cobalt for making electric batteries.

One will produce precursors and the other anode materials. LG will invest 83.3 billion won for 49 percent shares on the precursor JV and 156.1 billion won on the company producing anode materials for 51 percent shares.

The materials will be delivered to LG's factory in Nanjing, China, which produces electric batteries for electronics, electric vehicles, and ESS, as well as the company's factory in Poland, which exclusively produces batteries for electric vehicles.

The center has received a total of $30 million in investment and has a registered capital of $28 million. It covers an area of 13.7 mu (0.91 hectares), housing advanced laboratories and cutting-edge equipment.

It has hired nearly 100 highly-skilled professionals to oversee LG Chem"s technical capabilities across the Chinese region (Wuxi, Guangzhou, Beijing, and Shanghai). The center will provide full-scale software and hardware technical solutions and innovative services for LG Chem"s production and promote the development of WND by nurturing talent and achieving industrial transformation.

In 2018, LG Chem joined forces with Zhejiang Huayou Cobalt Co to build the largest new energy automotive cathode material production base in WND, which marked the beginning of strategic cooperation between the two sides.

Founded in 1947, LG Chem ranked 472nd on the 2022 Fortune Global 500 list. As the world"s fourth-largest chemical company and the largest producer of new energy vehicle power batteries globally, the company is committed to furthering its technological advancements in China.

LG Chem is expanding battery production in China in spite of Beijing"s preferential treatment for local makers, and even as the South Korean group attempts to diversify away from the world"s largest electric vehicle market.

The battery maker said it had increased the operating ratio of its battery plant in the eastern Chinese city of Nanjing to 70 per cent of capacity -- up from 20-30 per cent last year -- even as Beijing introduced rules favouring domestic companies. At full capacity, LG Chem"s Nanjing plant can produce batteries for 50,000 electric vehicles a year.

LG Chem and several other foreign companies were excluded from a list of permitted suppliers drawn up by

Beijing last year. At the time, China also released draft guidelines demanding that car battery makers must have at least 8 gigawatt hours of production capacity in China to qualify for subsidies -- a target that only China"s BYD and Contemporary Amperex Technology can meet.

"China is a very important market so we"re trying hard to cope with this," said Park Jin-soo, LG Chem vice-chairman. "We hope that a [political] solution will be found soon, although we are now exporting products made in China to other countries and converting some of the lines for ESS [energy storage system] production."

He added: "Government subsidies [for electric vehicles] will disappear in around 2020. The only [fundamental] solution seems to come up with a technology that others cannot catch up with."