

# Stellantis, CATL to invest €4.1 billion on JV for lithium iron phosphate battery plant in Spain

11-Dec-2024 17:09 GMT

Amit Panday

**S&P Global**

Supply Chain and Technology, Automotive

## The Stellantis-CATL battery JV announcement comes a year after the two companies had signed a non-binding MOU

Amsterdam-headquartered Stellantis and Contemporary Amperex Technology Co. (CATL), the world's largest battery-maker, have reached an agreement to set up an equal joint venture company focused on battery manufacturing operations in Spain, the two companies said in a joint announcement on Dec. 10.



Source: Getty Images

As part of the agreement, Stellantis and CATL have agreed to invest up to €4.1 billion in building a large-scale, 50-GWh lithium iron phosphate (LFP) battery plant in Zaragoza, Spain. The battery plant will be built in several phases and will be designed to be a completely carbon-neutral facility.

The two companies said that the planned gigafactory, which is expected to commence production operations by end of 2026 at Stellantis' Zaragoza site in Spain, will scale up battery-cell production based on the electric vehicle demand in Europe along with continued support from authorities in Spain and the EU.

The Stellantis-CATL battery JV announcement comes a year after the two companies had signed a non-binding memorandum of understanding (MOU) aimed at the local supply of LFP battery cells and modules for EV production in Europe.

Just last week, the European Commission launched new calls for proposals with a budget of €4.6 billion to accelerate the deployment of innovative decarbonization technologies in Europe, including EV batteries. The commission has launched, for the first time, a €1 billion call for EV battery-cell manufacturing (IF24 Battery) to support projects that can produce innovative EV battery cells or deploy innovative manufacturing techniques, processes and technologies. The selected proposals will be financed by the Innovation Fund, which is slated to use revenue from the EU Emissions Trading System (ETS).

Stellantis said that the equal JV with CATL will help it integrate the LFP battery chemistry in its model pipeline in Europe, besides establishing a local supply chain for the emerging battery technology. It expects that the LFP batteries will help it in offering more high-quality, durable and affordable battery-electric passenger cars, crossovers and sport utility vehicles in the B- and C-segments with intermediate ranges.

CATL, which already has operational battery facilities in Germany and Hungary, also signed a supply agreement with Renault's EV unit Ampere in July. Under this agreement, CATL is slated to supply LFP batteries from its Hungary plant to Renault's EV factories in Europe.

Notably, LFP batteries are less expensive and safer than the nickel cobalt manganese (NCM) batteries — factors that are increasingly encouraging global carmakers to integrate the LFP chemistry in their future model pipelines.

In its press note, Stellantis said that it aims to employ a dual-chemistry approach — NMC and LFP — to serve all customers and explore innovative battery-cell and pack technologies.

“Stellantis is committed to a decarbonized future, embracing all available advanced battery technologies to bring competitive electric vehicle products to our customers,” said Stellantis Chairman John Elkann. “This important joint venture with our partner CATL will bring innovative

battery production to a manufacturing site that is already a leader in clean and renewable energy, helping drive a 360-degree sustainable approach. I want to thank all stakeholders involved in making today's announcement a reality, including the Spanish authorities for their continued support.”

“The joint venture has taken our cooperation with Stellantis to new heights, and I believe our cutting-edge battery technology and outstanding operation knowhow combined with Stellantis' decades-long experience in running business locally in Zaragoza will ensure a major success story in the industry,” said CATL Chairman and CEO Robin Zeng. “CATL's goal is to make zero-carbon technology accessible across the globe, and we look forward to cooperating with our partners globally through more innovative cooperation models.”

The transaction between Stellantis and CATL is expected to close in 2025 and is subject to customary regulatory conditions.

## CONTACTS

### The Americas

+1 877 863 1306

### Europe, Middle East & Africa

+44 20 7176 1234

### Asia-Pacific

+852 2533 3565

[www.spglobal.com/mobility](http://www.spglobal.com/mobility)

Copyright © 2025 S&P Global Inc. All rights reserved.

These materials, including any software, data, processing technology, index data, ratings, credit-related analysis, research, model, software or other application or output described herein, or any part thereof (collectively the “Property”) constitute the proprietary and confidential information of S&P Global Inc its affiliates (each and together “S&P Global”) and/or its third party provider licensors. S&P Global on behalf of itself and its third-party licensors reserves all rights in and to the Property. These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable.

Any copying, reproduction, reverse-engineering, modification, distribution, transmission or disclosure of the Property, in any form or by any means, is strictly prohibited without the prior written consent of S&P Global. The Property shall not be used for any unauthorized or unlawful purposes. S&P Global’s opinions, statements, estimates, projections, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security, and there is no obligation on S&P Global to update the foregoing or any other element of the Property. S&P Global may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. The Property and its composition and content are subject to change without notice.

THE PROPERTY IS PROVIDED ON AN “AS IS” BASIS. NEITHER S&P GLOBAL NOR ANY THIRD PARTY PROVIDERS (TOGETHER, “S&P GLOBAL PARTIES”) MAKE ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE PROPERTY’S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE PROPERTY WILL OPERATE IN ANY SOFTWARE OR HARDWARE CONFIGURATION, NOR ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO ITS ACCURACY, AVAILABILITY, COMPLETENESS OR TIMELINESS, OR TO THE RESULTS TO BE OBTAINED FROM THE USE OF THE PROPERTY. S&P GLOBAL PARTIES SHALL NOT IN ANY WAY BE LIABLE TO ANY RECIPIENT FOR ANY INACCURACIES, ERRORS OR OMISSIONS REGARDLESS OF THE CAUSE. Without limiting the foregoing, S&P Global Parties shall have no liability whatsoever to any recipient, whether in contract, in tort (including negligence), under warranty, under statute or otherwise, in respect of any loss or damage suffered by any recipient as a result of or in connection with the Property, or any course of action determined, by it or any third party, whether or not based on or relating to the Property. In no event shall S&P Global be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including without limitation lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Property even if advised of the possibility of such damages. The Property should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions.

The S&P Global logo is a registered trademark of S&P Global, and the trademarks of S&P Global used within this document or materials are protected by international laws. Any other names may be trademarks of their respective owners.

The inclusion of a link to an external website by S&P Global should not be understood to be an endorsement of that website or the website’s owners (or their products/services). S&P Global is not responsible for either the content or output of external websites. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process. S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global Ratings’ public ratings and analyses are made available on its sites, [www.spglobal.com/ratings](http://www.spglobal.com/ratings) (free of charge) and [www.capitaliq.com](http://www.capitaliq.com) (subscription), and may be distributed through other means, including via S&P Global publications and third party redistributors.