

# Northvolt opens Europe's first homegrown battery gigafactory

December 29 2021, by Marc Pr  el

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Swedish battery group Northvolt said Wednesday it has launched its "gigafactory" in northern Sweden, the first of its kind to be undertaken by a European company on the continent.

Intended to compete with US electric car giant Tesla and Asian producers of lithium-ion batteries, the factory in Skelleftea assembled its first [battery](#) cell late Tuesday, Northvolt said.

"Marking a new chapter in European industrial history, the cell is the first to have been fully designed, developed and assembled at a gigafactory by a homegrown European battery company," Northvolt said.

Once at full capacity, the site is expected to produce enough batteries to power one million [electric vehicles](#) annually, with an annual production capacity of 60 gigawatt hours (GWh), according to the firm.

"Today is a great milestone for Northvolt which the team has worked very hard to achieve," Northvolt chief executive Peter Carlsson said in a company statement.

"Of course, this first cell is only the beginning. Over the course of the coming years, we look forward to Northvolt Ett expanding its production capacity greatly to enable the European transition to [clean energy](#)," he said.

Tesla is due to launch its first factory in Europe shortly and Asian rivals have significant operations in Poland and Hungary—but no European firm had yet operated a significant facility until now.

Northvolt, one of Europe's leading battery hopefuls, has already secured \$30 billion (26.5 billion euros) worth of orders from European car giants including Germany's BMW and Volkswagen, and Sweden's Volvo, with

which it plans a second European factory.

The new factory, dubbed "Northvolt Ett" (Northvolt One) in Swedish, already employs 500 people and will likely have as many as 3,000 staff once it reaches full capacity.

## **'Greenest' batteries**

The first deliveries to commercial customers will be made in the first part of 2022.

The Swedish company, which has already raised funding of several billion euros, was founded in 2016 by Carlsson and Italian Paolo Cerruti, both former Tesla employees.

Its known shareholders include Volkswagen, Goldman Sachs, BMW, Nordic funds and, since 2020, the founder of Spotify, Swedish billionaire Daniel Ek.

In addition to private funding, Northvolt has also benefited from European loans, as the region plays catch-up in its electric vehicle production capacity.

Faced with China, which dominates the market, Europe accounted for just three percent of world battery cell production in 2020 but aims to corner 25 percent of the market by the end of the decade, with several factory openings planned.

The Covid-19 pandemic had threatened Northvolt's goal of launching production before the end of the year.

Fredrik Hedlund, the head of Northvolt's new gigafactory, told AFP that the site should achieve [production capacity](#) for 300,000 vehicles, or 16

GWh, within the next two years.

The gigafactory will only consume renewable energy, according to Northvolt.

Its location, some 200 kilometres (124 miles) from the Arctic Circle, was chosen because it is near important sites of renewable production in northern Sweden, including hydropower.

"Making battery [cells](#) is a very energy hungry industry," Hedlund said. "We have the objective to having the greenest cell on Earth."

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Citation: Northvolt opens Europe's first homegrown battery gigafactory (2021, December 29) retrieved 2 May 2024 from

<https://techxplore.com/news/2021-12-northvolt-europe-homegrown-battery-gigafactory.html>

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