

Mercedes plans 1 bn-euro electric van plant in Poland

December 12 2022



The factory investment comes as Mercedes-Benz and rival automakers around the globe are spending vast sums as part of a major industry-wide shift towards electrification.

German automaker Mercedes-Benz said Monday it planned to inject more than one billion euros into a new plant in Poland dedicated to

building fully electric vans.

The site will be located in Jawor, southwestern Poland, where the group has already been manufacturing [combustion engines](#) since 2019 and battery systems since 2021.

"We will build our first pure electric plant in Jawor," Mathias Geisen, head of Mercedes-Benz Vans, said in a statement.

The move would "ensure our leading position in the field of all-electric light [commercial vehicles](#)" while at the same time "preserving the long-term prospects of the existing plants in Europe", he added.

At a press conference in Warsaw, Geisen said the group planned to spend more than a billion euros on setting up the new site.

"The investment announced by Mercedes today is for Poland a very, very important investment," Polish Prime Minister Mateusz Morawiecki told reporters.

It comes as Mercedes-Benz and rival automakers around the globe are spending vast sums as part of a major industry-wide shift towards electrification.

Mercedes had initially planned to partner with US start-up Rivian and build all-electric vans in Europe together.

But Mercedes on Monday said plans to establish a [joint venture](#) were "on hold due to Rivian's ongoing reprioritisation of projects".

Rivian, which has been grappling with supply chain woes that have forced it to curb production this year, said it had decided "to pause discussions" with Mercedes.

"At this point in time, we believe focusing on our consumer business, as well as our existing commercial business, represent the most attractive near-term opportunities to maximize value for Rivian," CEO RJ Scaringe said in a statement.

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Citation: Mercedes plans 1 bn-euro electric van plant in Poland (2022, December 12) retrieved 23 April 2024 from <https://techxplore.com/news/2022-12-mercedes-bn-euro-electric-van-poland.html>

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