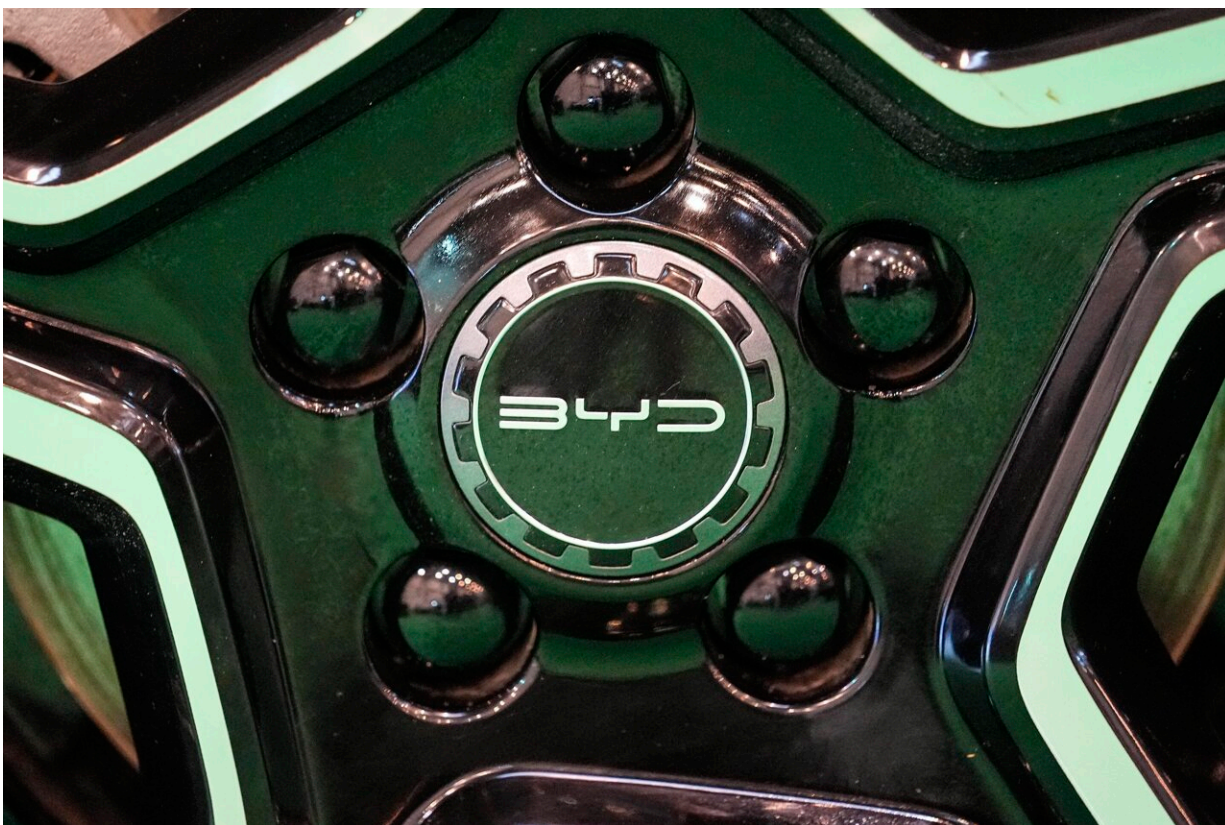


China's BYD to build its first European electric vehicle factory in Hungary

December 22 2023, by Justin Spike



The wheels of an electric car of Chinese car maker BYD is on display at the Essen Motor Show in Essen, Germany, Friday, Dec. 1, 2023. Chinese automaker BYD said Friday, Dec. 22, that it plans to build a new electric vehicle plant in Hungary, its first car factory in Europe, as part of its rapid global expansion. Credit: AP Photo/Martin Meissner, File

One of the world's largest electrical vehicle manufacturers, China's BYD, will open its first European EV production factory in Hungary, the country's foreign minister said Friday, the latest step in the Central European nation's efforts to become a global hub for EV manufacturing.

BYD will construct the plant near the southern Hungarian city of Szeged, and is expected to provide thousands of jobs to the region, Foreign Minister Péter Sziijártó said in a statement posted to his Facebook page.

The project "will be one of the largest investments in Hungarian economic history," he said, adding that the government would provide financial incentives to BYD for building the plant, details of which he said would be released at a later date.

The plant's construction will "further strengthen the position of the Hungarian economy, further strengthen the foundations of long-term economic growth, and further strengthen Hungary's position in the global electric automotive transition," Sziijártó said.

Hungary in recent years has sought to become a global hub of lithium-ion battery manufacturing in an era where governments are increasingly seeking to limit [greenhouse gas emissions](#) by switching to [electric cars](#).

South Korea's Samsung, China's CATL and other companies have built factories around Hungary, prompting reactions from some local residents and environmental groups that worry about the consequences for the environment.

CATL's 100 GWh battery plant in Debrecen, which is expected to create around 9,000 jobs, is the largest such EV battery factory in Hungary so far, part of the government's strategy to serve foreign car manufacturers present in the country—like German carmakers Audi, BMW and Mercedes-Benz—as they transition to battery-powered vehicles.

BYD, which is Tesla's largest global rival in EV production, already has an electric bus manufacturing plant in the northwestern Hungarian city of Komarom. But the planned Szeged factory would be the first major consumer EV production facility in Europe for a Chinese carmaker.

The mayor of Szeged, Laszlo Botka, said the city's "geographical location and logistical development" had helped make it a winning candidate for hosting the factory. He said preparation of the 300-hectare (740 acre) site of the future factory had already begun.

Szeged is situated near Hungary's border with Serbia, and a rail corridor that Hungary's government has developed jointly with Beijing as part of China's "Belt and Road" global trade initiative.

On Friday, Szijjártó said BYD's decision to open its plant in Hungary came after 224 rounds of negotiations between the company and Hungary's government.

"This investment underlines the fact that Hungary is a leader in the technological revolution," Szijjártó said.

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