

Investment Special

Thuringia Focus



Robin Zeng, CEO of CATL, and Thuringian Economics Minister Wolfgang Tiefensee are signing the joint project agreement in the presence of Chancellor Angela Merkel and China's Prime Minister Li Keqiang. Photo: Federal Government / Jesco Denzel

Interview with

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CATL is building a gigafactory in Thuringia

A major success for the investment location Thuringia: The Chinese company Contemporary Amperex Technology Ltd. (CATL), one of the leading car battery producers worldwide, is building its first factory outside of China in Arnstadt, south of the state's capital of Erfurt.

CATL will invest 240 million euros and create 600 new jobs by 2022. With a capacity of 14 gigawatt hours, the focus of the factory will be on automated production and intelligent manufacturing of batteries. In addition to production, research and development, quality control and high-quality services will play a major role.

The central location of Thuringia, the good infrastructure at the site, the investor service, the availability of qualified experts and the multiple research capacities are among the trump cards which convinced CATL and tipped the balance in the tough worldwide competition between regions. "This significant investment decision catapults our state into the European league at least, since here is where the

first ever European production location for battery cells is emerging," explains Wolfgang Tiefensee, Thuringia's Minister for Economic Affairs, who himself led the negotiations in China, at the signing of the project agreement in the Federal Chancellery in Berlin at the beginning of July. "We are glad that a world market leader like CATL is relying on Thuringia to accelerate growth of its battery and production technology from here." CATL will establish its production plant in the "Erfurter Kreuz" industrial park, which has been successfully developed by the State Development Corporation of Thuringia (LEG) since 2005. LEG is energetically supporting the investment project with its competent investor service. (hw)

LEG Thüringen has landed a major coup with the construction of a battery cell factory by the Chinese investor.

Indeed, this means the go-ahead for one of the most important foreign investment projects in Thuringia in the past ten years. At the same time, it is also a result of our committed work in recent months to assert ourselves in the increasing national and international competition between regions. However, the actual work for a step-by-step implementation has just begun.

Has the business location Thuringia become more interesting for investors in recent years?

Yes, recently the share of foreign investors, especially from the high-tech sectors, that are interested in the Free State has been increasing continuously and now amounts to over 50%. Hence, a peak has been reached; at the same time this proves the increasing appeal

of the business and technology location of Thuringia.

Where do you see the reasons for this development of Thuringia as a hot spot for investors?

For one thing, Thuringia has a diversified industrial structure, qualified employees, and renowned higher education and science institutions; it offers high quality of life, in addition to its excellent position in Germany and Europe and state-of-the-art infrastructure. The availability of attractive industrial spaces that meet even the most challenging requirements especially plays a major role.

On the other hand, LEG Thüringen, as a full-service agency, offers compatible services for investors, reaching from economic and sector analyses, tailor-made location offers right up to financing and subsidy packages, public authority liaison and finding cooperation or research and development partners in Thuringia. At the same time, LEG Thüringen also supplies especially suitable industrial locations, all under one umbrella! (*kut*)

Canadian company invests in Gotha

Weber Manufacturing Technologies Inc. from Midland, Canada is a manufacturer of iron and aluminium precision tools, mainly for the automobile, air and space industries. As sales in the German market are currently experiencing rapid growth, the company will in future offer aftersales, repair, and maintenance services for its German and European customers in the industrial area Gotha-Süd. The company maintains three production facilities in Canada with around 220 employees. (*maa*)

Eberspächer catem is growing in Hermsdorf

The subsidiary of the **Eberspächer** Group already launched the construction works for its new production plant in Hermsdorf in March. On a lot of three hectares near the highway A4, a new plant that expands the already existing production area by approx. 10,000 m² is emerging. Additionally, the plan is to continually improve production technologies and processes in a new development building. The company,



Groundbreaking ceremony at Bell's site in the industrial area Eisenach-Kindel with State Secretary Valentina Kerst.
Photo: Bell / Thorsten Block



Bell Equipment is setting the course for the future in Thuringia

The South African construction machinery producer Bell Equipment is expanding at the Kindel location near Eisenach and investing around 13 million euros. The project will create 135 new jobs in the middle term.

At the end of July began with the symbolic first groundbreaking ceremony the major investment including the construction of new factory buildings, a modern office and staff facilities building, as well as equipment for the industrial facilities. In the future, sub-assemblies and vehicle components for the worldwide distribution of articulated dump trucks are scheduled to be produced in the new building complex. Up to now, the branch served mostly as a pure assembly plant. According to the director and plant manager André Krings, the aim is to produce especially the large

steel bodies for the transport vehicles, which until recently were delivered from South Africa. The Free State of Thuringia is supporting the project with 1.4 million euros.

The company announced: "Our project is adding massive value to the location and creating numerous new qualified jobs in addition to the existing 140." Thuringia's State Secretary for Economic Affairs Valentina Kerst underlined: "This groundbreaking ceremony proves that Thuringia offers the best conditions for companies that are investing for the long term and want to grow." (*cdo*)

BMW is expanding at its Eisenach location

The automobile producer BMW is vigorously continuing its growth at its Eisenach location: The BMW Group will invest 42 million euros in its Thuringia factory by 2022, thereby doubling the production space and increasing its staff by 20 per cent.

"The further investments and development of our plant ensures the long-term competitiveness of our location. Additionally, it is a mark of trust by our company in the performance capacity of our workforce in Thuringia," says the plant manager, Michael Eckl. "We are proud that this will make us the largest tool shop location in the BMW Group production network." Today, the Eisenach plant manufactures up to 40 tool kits for the pressing plants of the BMW Group annually: with the expansion, the capacity will rise up to

50%. In addition, the plant is increasing its training and integrated degree program positions from 9 to 24. Besides Munich and Dingolfing, Eisenach is today the third location for the worldwide provision of automobile plants with highly state-of-the-art pressing tools. In addition to the tool shop, the Eisenach plant has in recent years specialized in the production of nearly all the outer shell parts for Rolls Royce cars as well as for BMW M models and components for the BMW motorcycle division. (*hw*)

Full service for investors in Thuringia

Since 1992, the State Development Corporation of Thuringia mbH (LEG) has been the competent contact partner for companies seeking to establish a new site or expand in the Free State. The business location Thuringia offers the best conditions for this.

Once again, the positive results as regards the statistics of successful investment projects are evidence of the attractiveness of Thuringia. Since the beginning of 2017, altogether 78 companies have made the decision to come to Thuringia or to expand their local production. In the course of this, around 3,400 jobs were created, and the investment volume totaled approximately 760 million euros. The substantial number of expansion investments (49) show that companies in the Free State

enjoy exceptionally good conditions for continuing growth. In the last years, the number of foreign direct investments also rose again. 18 companies from abroad invested 200 million euros during this period and thereby created 1,000 jobs. Currently, 140 investment projects with a total volume of about 4 billion euros are in the pipeline, among these 60 projects by foreign investors with a volume of approximately 2 billion euros. *(maa)*



The industrial park "Erfurter Kreuz". Photo: LEG Thüringen / Heiko Wagner, Erfurt

Thuringia creates space for new investments

On behalf of the state, the LEG accelerate the development of modern industrial areas that offer investors from all over the world the best conditions for their entrepreneurial projects.

By way of example, the work on the expansion of the "Kiebitzhöhe" industrial area in Köllda in central Thuringia is running at full speed. Fully developed spaces will shortly be available here for all companies that want to establish in the direct vicinity of the Daimler subsidiary MDC. Moreover, the LEG is expanding industrial spaces in Eisfeld/South Thuringia as well as marketing the already developed fourth construction phase at the "Kyffhäuserhütte" location in Artern.

As part of a comprehensive large-area initiative by the Free State, the LEG is additionally developing areas at various locations in Thuringia for companies

that are interested in large contiguous areas. The latest completion was the development of the "Goldene Aue" industrial area near Nordhausen that offers space for investments on 80 hectares. In Gera in eastern Thuringia, the LEG is developing the "Cretzschwitz" area that should encompass 37 hectares of building land in the future. Likewise, as in the aforementioned areas, the largest industrial area of Thuringia, the "Erfurter Kreuz," also includes an outstanding transportation connection with short routes to the highways. This area is being developed as far as possible. Subsequent works will ensue. *(hw)*

which produces ceramic parts for the automobile industry, supplies nearly all internationally active automobile producers worldwide. Through the investment and creation of up to 150 new jobs, the strongly increased demand should be sufficiently covered. *(boe)*

EJOT is setting new standards

The EJOT company, domiciled in Tam bach-Dietharz, has plenty of reasons to be happy. In addition to celebrating its 25-year anniversary, the internationally active screw manufacturer was also privileged to celebrate a special award this year. The specialist for joining technology was distinguished as one of the most innovative companies in Germany. To guarantee quality and innovation strength in the future at the Thuringian site, as well, EJOT has been expanding its production facilities for around 20 million euros since April. The new construction of a surface technology center as well as a new outgoing goods yard with four truck docking stations are heralding a new era for the location with an outlook of creating 20 new jobs. EJOT customers come primarily from the automobile and supplier industries, electronics, and the building industry. *(cdo)*

30 million euro high tech investment

The **Vacom** company is vigorously expanding its company headquarters in Großlobichau near Jena. The vacuum specialist wants to grow further by investing in new technologies and is investing 30 million euros together with partners. New construction of a hall is planned in which present production will be accommodated on 4.000 m². Already in October 2018, mechanical production is due to move to the new hall. Through restructuring and the new building, 50 to 100 new jobs should come into being in the coming years, according to the statements by the company – currently just over 200 staff are employed. The company, founded in 1992, develops and sells vacuum mechanics, optics, and measuring technology worldwide and belongs to the leading European providers in this area. *(cdo)*

100 million euros worth of acknowledgment to its production location in Thuringia

It is a significant token for the unabated hunger for biscuits in Germany and the world – as well as a clear affirmation of the Kahla location in Thuringia.

The Griesson – de Beukelaer company has recently announced an expansion of more than 100 million euros in the plant south of Jena. A new production hall with four new production lines, a high rack warehouse and a new gatehouse with an additional truck waiting area will be built. As early as 2019, the first goods should come off the line. “This is one of the largest investments in company history,” says the managing partner Andreas Land. “The aim is to further develop the company and to offer staff a perspective.”

The new buildings will not only increase production capacity. The high rack warehouse will triple the storage capacity. There will also be an increase in staff – around 70 new jobs should emerge in the course of the location expansion. Since the plant in Kahla came into operation in 1993, Griesson – de Beukelaer has already invested over 200 million euros in it. Today it belongs to one of the most modern in Europe. Currently 435 employees work there, including 19 trainees. *(cdo)*



The groundbreaking ceremony for the “prizeotel Erfurt-City” took place in the presence of the Thuringian Minister-President Bodo Ramelow (3rd from right). Photo: LEG Thüringen / Andreas Hultsch

A unique hotel is being built in the center of Germany

Not long ago, the ICE high speed hub at the main station in Erfurt was launched: Since then, the state capital of Thuringia can be reached from the metropolises of Berlin, Munich, Frankfurt, and Dresden in a maximum of two and a half hours.

Erfurt and Thuringia will hence become even more a center of attraction for companies, conference providers, and tourists. To utilize this potential, the LEG Thüringen is developing a new quarter, the ICE City, in which people can work, attend conventions, live, and spend their leisure time on an area of around 30 hectares surrounding the main station.

The first attractive “building block” in this quarter will be the “prizeotel Erfurt-City” an economy-design hotel with 208 rooms in direct proximity to the main station, designed by the New

York star designer Karim Rashid. The official groundbreaking ceremony for the building, that is due to open its doors at the end of 2019, took place at the end of June. Maximilian May from the investor May & Co. and Marco Nussbaum, founder and CEO of prizeotel, had words of praise for the location. “Erfurt is a great city, and Thuringia is simply a wonderful Federal State,” said Marco Nussbaum. “There is enormous performance here every day, and I am personally happy that this is our first location in the new Federal States!” *(hw)*

Wintersteiger expands production in Arnstadt

The Thuringia subsidiary of the Austrian Wintersteiger Group is on a path of growth and expanding its existing capacities by 2,000 m² in an overall production area of 6,800 m². Since 2006, the company has already been producing saw blades for most varied applications in the industrial area of “Erfurter Kreuz” and, through the expansion, production of these will grow in the future to more than 20,000 meters daily. Beyond this, the maintenance and repair of saw blades will be significantly developed. Over 3 million euros are being invested in facilities and buildings. The company exports to over 50 countries worldwide and thereby achieves an export rate of 85%. *(boe)*



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