



# Chinese FDI in Europe's EV sector

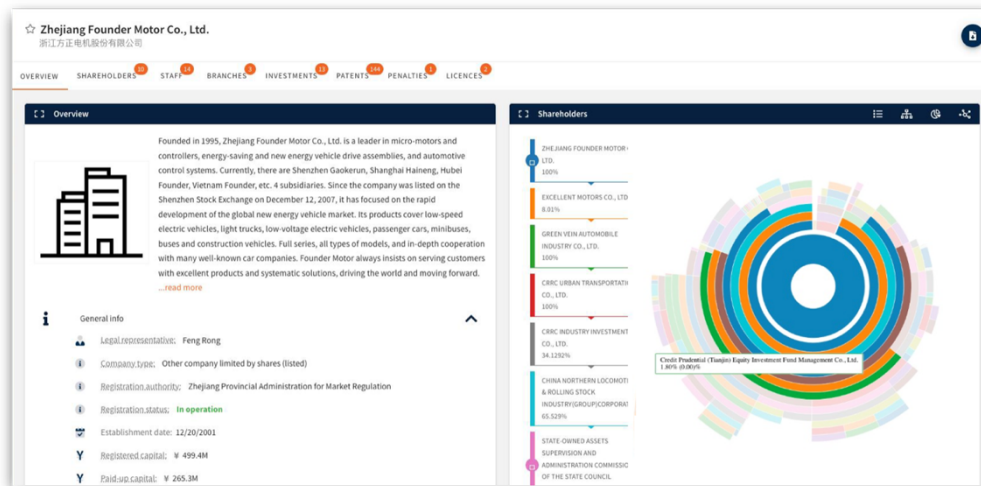
A "de-risking" design failure?

**datenna**<sup>®</sup>

[datenna.com](https://datenna.com)

# / About Datenna

Datenna is the world's leading provider of techno-economic intelligence on China. With our unparalleled intelligence portal, governments worldwide can easily turn open-source data into crucial insights and actionable intelligence. Our unique tools allow decisionmakers to investigate complex corporate structures, explore hidden connections, and identify fast-developing trends in China to ensure economic and national security. To discover the Datenna difference, visit us at [datenna.com](https://datenna.com).



## / Introduction

Since 2021 the European Union (EU) has sought to shore up economic security and autonomy by reducing industrial dependencies on foreign suppliers, including China. “De-risking” rather than “de-coupling” has been the guiding light for policy on securing supply chains in strategic sectors such as green technology. However, recent developments indicate that national priorities rather than coordinated bloc-wide policy continue to incentivize sustained Chinese investment in the European Electric Vehicle (EV) sector. Chinese investments in Europe cover all aspects of the EV supply chain from the extraction and processing of raw materials to the production of battery cells and modules and the final assembly of electric vehicles. As such, the “de-risking” policy has not removed dependence on Chinese suppliers but has seemingly encouraged them to establish complete supply chains within Europe.

This overview utilizes Datenna’s data holdings to scrutinize the risks associated with recently announced Chinese investments across the EV sector in various EU member states. In particular, this research seeks to highlight the connections of private enterprise to state entities through an examination of the shareholding patterns – up to the fourth level, as well as the investments and management staff of key Chinese investors in some European states. Recent investments by Chinese entities in Finland, Hungary and Spain represent different aspects of the EV supply chain and this research focuses on examples from these countries.

## Finland

In July 2023, Finnish Minerals Group announced the setting up of a joint venture (JV) company with **Beijing Easpring Material Co., Ltd.** (hereafter referred to as Beijing Easpring) on the possibility to establish a cathode active materials (CAM) plant in Kotka, Finland. Beijing Easpring will own 70% stake in the JV and Finnish Minerals Group 30%.<sup>1</sup> Later in September 2023, China's anode producer **Ningbo Shanshan Group Co., Ltd.** announced an investment of EUR 1.28 billion via its subsidiary, Shanghai Shanshan Lithium Mattery Material Technology Co., Ltd., to build a synthetic graphite anode facility in Finland.<sup>2</sup>

These two investments will boost Chinese presence in the processing of materials required for EV battery production within Europe. Additionally, Datenna's data shows that both these investors have significant ties to government entities in China.

In the case of Beijing Easpring, ties to government entities are easily discovered. The State Council holds 23.19% stake in Beijing Easpring through the state-owned enterprise Mining and Metallurgy Technology Group that has been involved in procurement bids for the Chinese military. In 2023, Mining and Metallurgy Technology Group won a procurement bid floated by the China Aerospace Science and Technology Corporation. The data therefore indicate risks of technology and knowledge transfer to state and military actors via Beijing Easpring.

Ningbo Shanshan Group Co., Ltd. that is building a synthetic graphite anode facility in Finland has 10 direct shareholders and at first view its ties to state entities seem limited to 1.36% stake held by Chinese state-owned enterprise Bailian Group Co., Ltd.

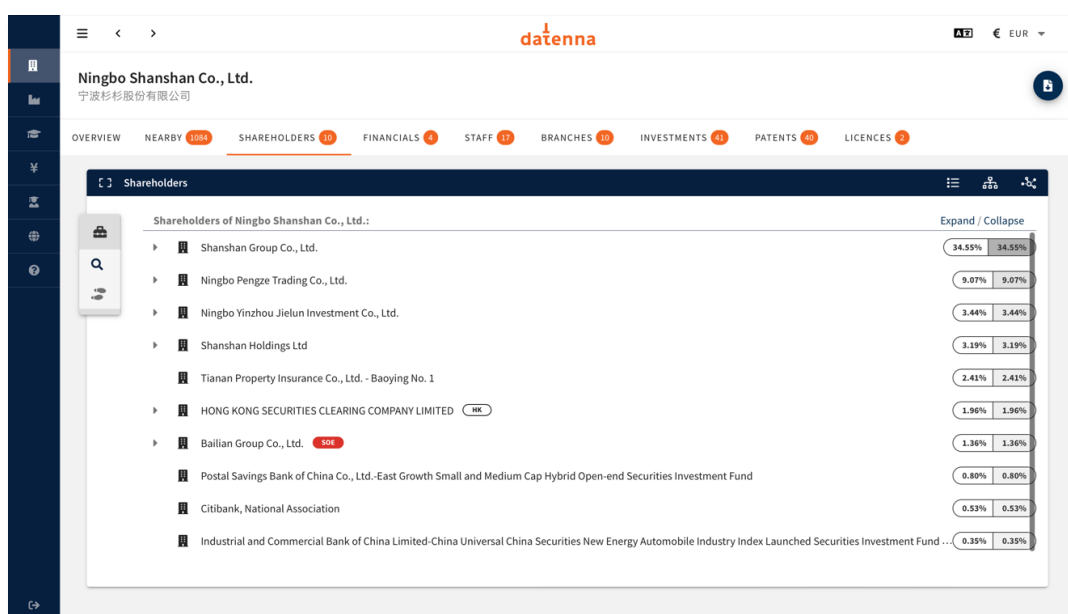


Fig. 1: Ningbo Shanshan Group Co., Ltd – Direct shareholders.

<sup>1</sup> "Finnish mineral group and Beijing Easpring to establish a JV company to advance the cam plant project in Kotka", Finnish Minerals Group, [accessed: 09-08-24], <https://www.mineralsgroup.fi/topical/news/finnish-minerals-group-and-beijing-easpring-to-establish-a-jv-company-to-advance-the-cam-plant-project-in-kotka.html>.

<sup>2</sup> "Ningbo Shanshan Co., Ltd. Announcement on Outbound Investment", Ningbo Shanshan Co., Ltd, [accessed: 09-08-24], <https://www.ssgf.net/uploads/20230927/1f1b034117ebbe399070039e7a1f530a.pdf>.

However, investigating the third and fourth level of shareholding data reveals ties to 55 Chinese state entities (some of which are listed in Fig 2). This suggests multiple levels of minority stake held by Chinese state affiliated entities, denoting some risk of state influence in the company’s operations.

The screenshot shows the Datenna interface for Ningbo Shanshan Co., Ltd. (宁波杉杉股份有限公司). The 'Shareholders' section is active, displaying a table titled 'Connection to state entities'. The table lists various entities and their relationships to the company, including state-owned enterprises (SOE) and government bodies (Gov).

Company	Relation	Via	Relation	Company
Ningbo Shanshan Co., Ltd.	-	-	Shareholder of 1.36%	Bailian Group Co., Ltd. (SOE)
Ningbo Shanshan Co., Ltd.	Shareholder of 1.36%	Bailian Group Co., Ltd. (SOE)	Shareholder of 100%	Shanghai State-owned Assets Supervision and Administration Commission (Gov)
Ningbo Shanshan Co., Ltd.	Shareholder of 34.55%	... x2 ... Show	Shareholder of 72.22222%	Zhangjiagang Economic Development Zone Holding Group Co., Ltd. (SOE)
Ningbo Shanshan Co., Ltd.	Shareholder of 3.19%	... x2 ... Show	Shareholder of 10%	Meishan Asset Operation Co., Ltd. (SOE)
Ningbo Shanshan Co., Ltd.	Shareholder of 3.19%	... x2 ... Show	Shareholder of 8.57143%	Pengshan Development Holding Co., Ltd. (SOE)
Ningbo Shanshan Co., Ltd.	Shareholder of 34.55%	... x3 ... Show	Shareholder of 100%	Zhangjiagang Economic and Technological Development Zone Management Committee (Gov)
Ningbo Shanshan Co., Ltd.	Shareholder of 34.55%	... x3 ... Show	Shareholder of 100%	Zheshang Securities Co., Ltd. (SOE)
Ningbo Shanshan Co., Ltd.	Shareholder of 34.55%	... x3 ... Show	Shareholder of 100%	Hangzhou Xiaoshan Financial Holding Group Co., Ltd. (SOE)

Fig. 2: Ningbo Shanshan Group Co., Ltd – Shareholder connections to state entities.

Apart from this, Ningbo Shanshan holds a direct stake of 3.12% in **Shanghai Aerospace Power Technology Co., Ltd.** where state affiliated entities hold over 80% of the shares. Shanghai Aerospace Power Technology Co., Ltd. has participated in 59 military procurement efforts since 2020, winning 56 of the 59 the tenders it has bid for. Thus, Ningbo Shanshan can be assessed as having links to government and state-owned entities as well as those involved in China’s defence sector.

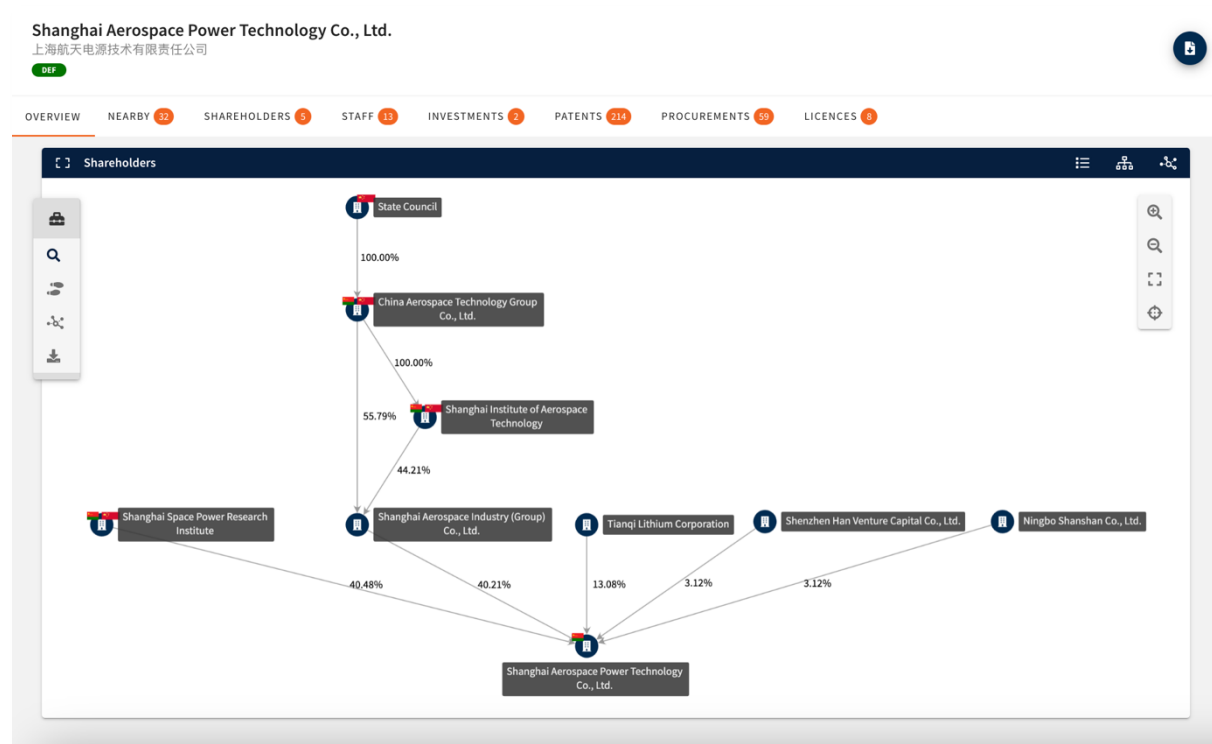


Fig. 3: Shanghai Aerospace Power Technology Co., Ltd. – Shareholder connections to state and military entities.

## Hungary

Hungary has been the largest recipient of Chinese official foreign direct investment (OFDI) in 2023 – receiving 44% of all Chinese OFDI in the EU.<sup>3</sup> This is primarily due to Chinese greenfield investments made in the EV sector which include battery plants being built by Chinese firms such as Huayou Cobalt<sup>4</sup> and CATL<sup>5</sup>. Hungary already hosts Chinese EV maker NIO's power plant that seeks to set up battery changing stations across Europe<sup>6</sup> and Semcorp's first lithium-ion battery separator film plant outside of China<sup>7</sup>. In June 2024, Semcorp announced plans for an expansion of its operations in the country with investment of about 447 million euros. In December 2023, BYD announced plans to set up a manufacturing plant in Hungary with the capacity to produce 200,000 vehicles per year.

The Chinese company **Contemporary Amperex Technology Co., Limited (CATL)** is the world's biggest EV battery maker. In August 2022, it announced investment of EUR 7.3 billion to build a 100 GWh battery plant in Debrecen, Hungary. The plant aims to provide both cells and modules to European automakers with production at the facility expected to commence in 2025.

A first level look at the 10 direct shareholders of CATL does not immediately suggest the possibility of state influence. However, a deeper investigation reveals that the company has links to 24 government entities (some of which are listed in Fig. 4). The involvement of 24 state entities with indirect involvement in CATL indicates a risk of government influence in the enterprises' operations.

Furthermore, **Zhejiang Communication Investment Group Co., Ltd.**, - that holds 6.49% indirect stake in CATL - is a state-owned enterprise that is also identified as having possible links to the defence sector since over 10% of the patents held by it have defence applications. Thus, cooperation with CATL carries risk of both state influence as well as transfer of technologies to entities active in China's military industrial landscape.

---

3 Agatha Kratz et al. , "Chinese FDI in Europe: 2023 Update", *Rhodium Group*, June 6, 2024, [accessed: 09-08-2024], <https://rhg.com/research/chinese-fdi-in-europe-2023-update/>.

4 "Yet Another Chinese Market Player To Join Hungary's E-mobility Ecosystem", Hungarian Investment Promotion Agency (HIPA), [accessed: 09-08-24], <https://hipa.hu/news/yet-another-chinese-market-player-to-join-hungary-s-e-mobility-ecosystem/>.

5 "CATL announces its second European battery plant in Hungary", CATL, [accessed: 09-08-24], <https://www.catl.com/en/news/983.html>.

6 "NIO Power Europe Plant to Commence Operation", NIO Inc., [accessed: 09-08-24], <https://www.nio.com/blog/nio-power-europe-plant-commence-operation>.

7 "SEMCORP opens its first production unit outside China in Hungary - VIDEO REPORT", Hungarian Investment Promotion Agency (HIPA), [accessed: 09-08-24], <https://hipa.hu/news/semcorp-opens-its-first-production-unit-outside-china-in-hungary/>.

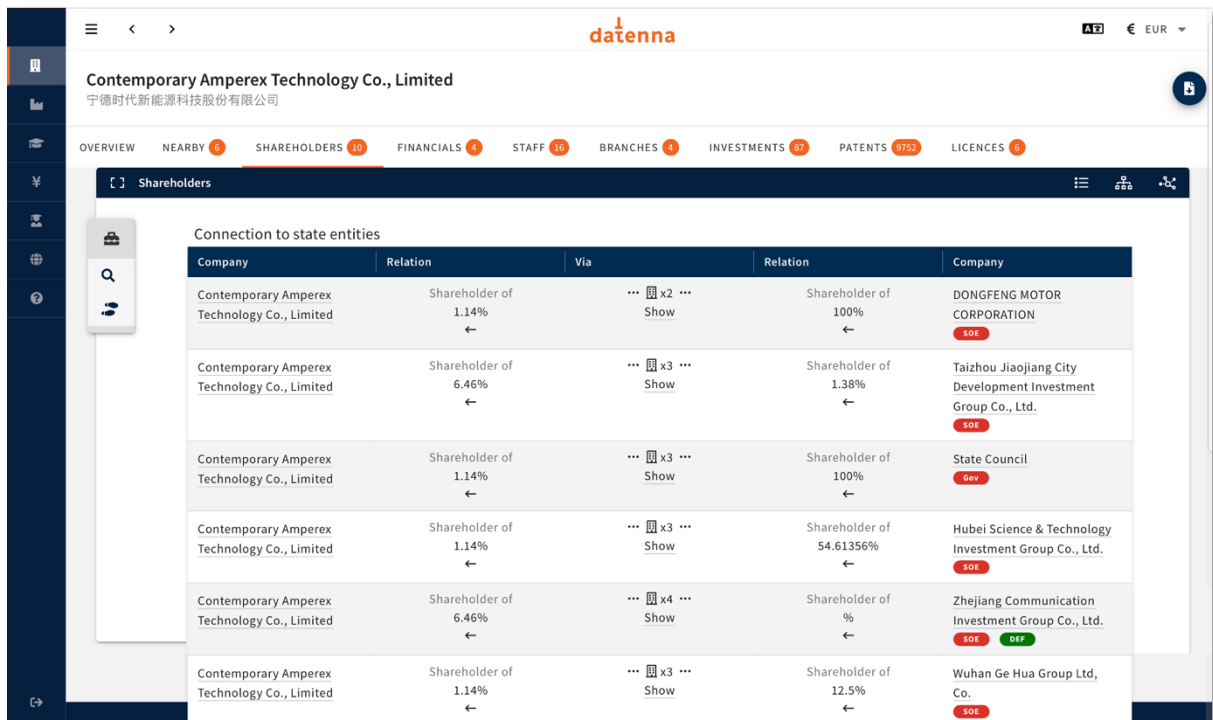


Fig. 4: CATL – Shareholder connections to state-entities.



## Spain

In 2021 Spain launched an ambitious government project aimed at attracting EV production in the country by providing subsidies to investors from the European Union pandemic support funds.<sup>8</sup> Taking advantage of this favourable policy environment, Chinese automaker **Chery Automobile Co., Ltd** (hereafter referred to as Chery) announced the establishment of a joint venture with Catalan company Ebro-EV Motors to build electric cars in Barcelona. Chery is the junior partner in the venture worth EUR 400 million<sup>9</sup> and is expected to begin manufacturing its cars at the former Nissan plant later this year. The project aims to produce 50,000 EVs annually by 2027.<sup>10</sup>

As shown in Fig. 5, state-owned enterprises hold direct majority stake of almost 70% in Chery Automobile Co., Ltd. As such the company represents significant risk of government influence in decision making.

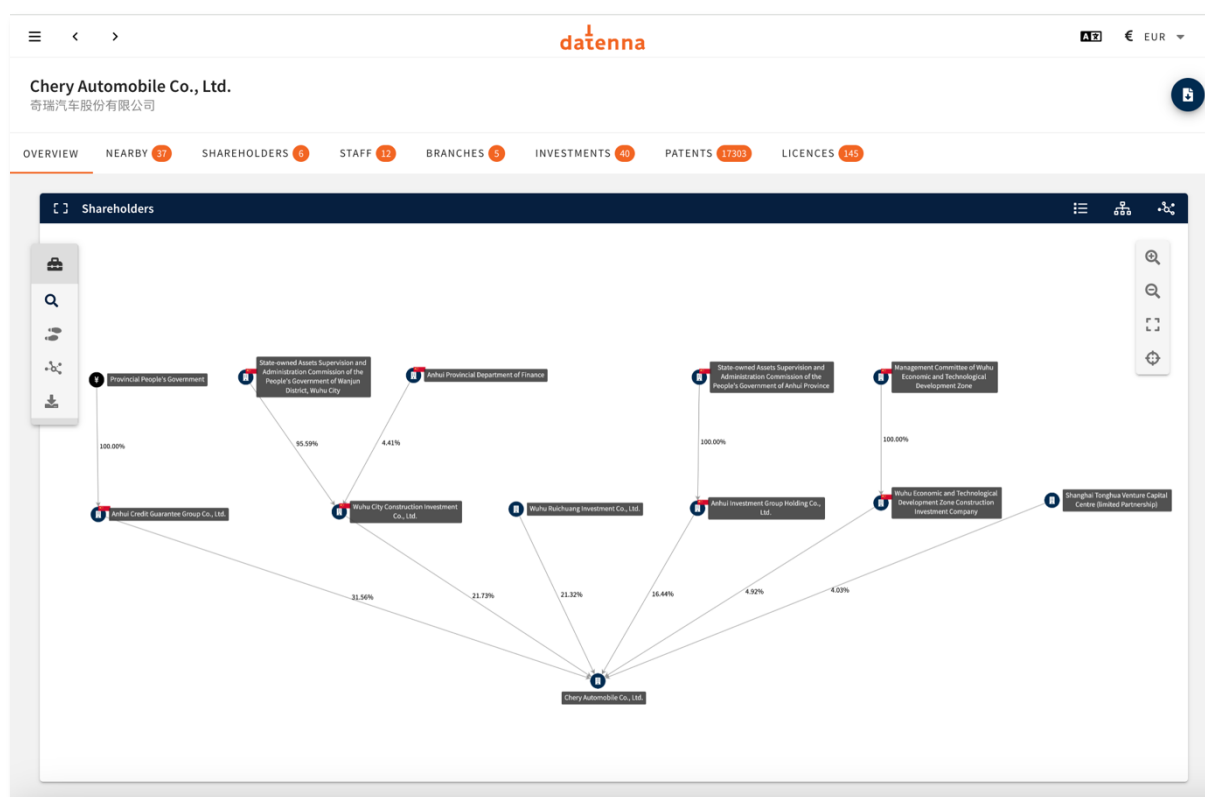


Fig. 5: Chery Automobile Co., Ltd – State entities are majority shareholders.

8 Joan Faus, "In renewed push, Spain to tender EU funds for EVs, batteries in July", *Reuters*, March 27, 2023, [accessed: 09-08-24], <https://www.reuters.com/business/autos-transportation/renewed-push-spain-tender-eu-funds-evs-batteries-july-2023-03-27/>.

9 "China's Chery to open its first European manufacturing site in Spain", *Reuters*, April 16, 2024, [accessed: 09-08-24], <https://www.reuters.com/business/autos-transportation/chinas-chery-will-open-spain-its-first-european-manufacturing-site-2024-04-16/>.

10 "Catalonia and Barcelona strengthen their commitment to sustainable mobility with Chinese company Chery", Catalonia Trade & Investment, [accessed: 09-08-24], <https://catalonia.com/w/catalonia-and-barcelona-strengthen-their-strategic-commitment-to-sustainable-mobility-with-chinese-company-chery>.

In addition, the chairman and general manager of the company, Yin Tongyue, also holds management positions in eight other commercial entities. Of these, **Qirui Commercial Vehicle Co., Ltd.** - where Yin Tongyue also serves as a chairman - is registered as a supplier on a Chinese military procurement platform (Fig. 6). The data indicates potential for knowledge transfer via this individual that holds management positions across multiple commercial entities.

**Qirui Commercial Vehicle Co., Ltd.**  
奇瑞商用车(安徽)有限公司

OVERVIEW NEARBY 309 SHAREHOLDERS 2 STAFF 8 BRANCHES 3 INVESTMENTS 29 PATENTS 2281 MISCELLANEOUS 1 LICENCES 18

**Staff**

Title	Name
Chairman	Yin Tongyue
Chairman of the supervisory board	Ma Yongyue
Director	Xu Hui
Director	Lu Fujun
Director	Li Congshan
Director and general manager	Bao Siyu
Supervisor	Zhang Jinsong
Supervisor	Wang Cheng

Showing 1-8 of 8.

**Miscellaneous**

Data point	Type
Registered as a supplier on a military procurement platform	Supplier registration

Showing 1-1 of 1.

**Patents**

Name	Year
Motor controller power management system for electric automobile	2023
New forms of energy executor assembly detection device	2023
Preceding crashproof crossbeam bearing structure	2023
Novel steering column seal structure for new energy automobile	2022
Waste vehicle-mounted hydrogen storage bottle recovery device and recovery process	2022

Fig. 6: Chery Automobile Co., Ltd – Management links to entities in China’s defence sector.

## Conclusion

This research showcases the hidden links between seemingly private enterprises and Chinese government and military entities. These links embody risks related to state influence as well as economic and knowledge security. The EU's higher tariffs on EV imports from China are meant to offset the unfair advantages received by Chinese automakers via Chinese government subsidies. However, Chinese entities investing in Europe continue to benefit from European subsidies in the sector and most have ties to government linked entities.

While it is true that EU policies have encouraged the transfer of production lines to Europe thereby providing a stimulus to regional economies, the expectation that Chinese technological transfers will inevitably follow and become a catalyst for reinvigorating Europe's EV sector seems premature. Chinese firms enjoy a first-mover advantage and with entire supply chains moving to Europe, this advantage may become even more difficult to overcome. A clearer understanding of the connections between China's state and private actors can certainly help assess risks and craft mitigation strategies for parties engaged with Chinese commercial enterprises.

## **Disclaimer**

*This report was compiled with care by Datenna B.V. (Datenna). While we have made every effort to ensure the accuracy and completeness of the data presented, we acknowledge that inaccuracies may exist. If the reader notices any inconsistencies or errors, please contact us, and we will promptly correct them. Datenna assumes no responsibility or liability for any loss or damage resulting from the use of or reliance on this information.*