

Hyundai Motor Group secures four-year lithium deal with China's Ganfeng Lithium

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Ganfeng Lithium is one of the world's largest lithium producers, supplying the key battery material to major global EV makers

South Korean carmaker Hyundai Motor has signed a deal with China's Ganfeng Lithium Group to secure the supplies of lithium hydroxide, a key raw material required for electric vehicle batteries, for four years starting Jan. 1, 2024, according to a news report published by *The Korea Economic Daily* on Jan. 19.



Source: Getty Images/xeni4ka

The report, however, did not disclose more details about the arrangement between the two companies, including the financial terms and total supply volume.

The Hyundai-Ganfeng deal news comes soon after the South Korean carmaker had signed a purchase agreement for lithium hydroxide with another Chinese supplier, Shenzhen Chengxin Lithium Group Co., over the next four years, the report pointed out.

Notably, Ganfeng Lithium is one of the world's largest lithium producers, supplying the key battery material to major global EV makers, including Tesla, Volkswagen and BMW.

It can be recalled that in August 2023, Hyundai had signed an agreement with Korea Zinc Inc. to jointly secure raw materials for nickel and explore new business opportunities in battery recycling.

The carmaker has even invested \$100 million in the US-based solid-state battery startup SES AI Corp. in 2021 to obtain next-generation battery technologies.

The efforts to secure lithium supplies is part of Hyundai's aggressive goal of achieving sales of 2 million EVs by 2030 while Kia aims to sell 1.6 million EVs by 2030.

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