

Chinese business & finance

China sends 2,000 workers to build battery power in Europe



Massive labour import to Spain spotlights EU's dependence on Beijing's EV tech

Barney Jopson in Zaragoza, **Kana Inagaki** in London and **Joe Leahy** in Beijing

Published SEP 27 2025

China is locking in European dependence on its technology by sending thousands of workers to build cutting-edge car battery factories that the continent needs to breathe new life into its auto industry.

The large-scale movement of labour, which has echoes of the dispatch of Chinese workers to construct infrastructure in Africa, underscores big gaps in Europe's skills and knowhow in electric vehicle batteries.

The starkest example is a lifeline from China's CATL, one of the world's most advanced battery makers, which plans to send 2,000 workers to build and fit out a €4bn battery plant in Spain in a joint venture with Stellantis.

The factory aligns with Chinese President Xi Jinping's strategy of fostering foreign dependence on China's high-end manufacturing, which Beijing sees as a source of strategic leverage in an era of geopolitical turbulence.

But it has raised questions about CATL's willingness to share its industrial secrets to the benefit of local people and businesses — and about Europe's future vulnerability to China.

In two decades building dams, railways and ports across Africa, Chinese companies brought in tens of thousands of Chinese workers but learnt they needed to provide local employment to foster goodwill.

CATL says it is committed to recruiting and training local workers to run the Spanish factory once it is built, as it did at a battery plant in Germany that began production in 2022. It is also constructing a larger €7bn factory in Hungary, which is also using an unspecified number of specialist workers from outside the country.

Joris Teer, economic security analyst at the European Union Institute for Security Studies, said Chinese companies guarded their intellectual property closely in part so the country's economy could stay afloat even in "extreme scenarios" such as a war over Taiwan.

"Xi is seeking to transform China into a self-sufficient fortress, while making the rest of the world even more dependent on Chinese manufacturing," Teer said. "Chinese companies including battery manufacturers have a strong incentive to not ship their crown jewel technologies abroad."

CATL was added to a Pentagon blacklist of companies believed to have ties to the Chinese military in January, although it has denied any such links. Scott Bessent, US Treasury secretary, warned Madrid earlier this year that aligning more closely with China "would be cutting your own throat".

The battery project near Zaragoza, capital of the north-eastern Aragón region, is nonetheless cementing Spain's status as one of Beijing's closest allies in western Europe.

To build the plant CATL has told local officials it will bring in a total of 2,000 of its own workers on a rotating basis — a number without precedent among Chinese industrial projects in Europe's biggest economies.





The battery project near Zaragoza will be constructed on a dirt plot owned by Stellantis © Eva Parey/FT

It will be constructed on a dirt plot owned by Stellantis next to one of the Euro-American group's car factories, an ageing facility founded by General Motors in the 1980s. Today the factory, in the municipality of Figueruelas, produces Opel, Peugeot and Lancia vehicles.

"I don't think the Chinese want to share the knowhow with us," said José Juan Arceiz, a Stellantis employee who is secretary of the company's European works council.

"That's one of the reasons why they're going to bring in 2,000 workers for construction and installation."

Arceiz, who is also secretary-general of the UGT union in Aragón, welcomed predictions that CATL would use 3,000 mostly Spanish workers to run the factory once it was built. "But I don't think they want to give us the knowledge to set up a battery factory," he said.

CATL has not broken down how many Chinese workers will be involved in basic construction versus installing manufacturing equipment, which links directly to its proprietary chemical engineering and battery cell design.

In Pedrola, a municipality bordering the factory site, CATL officials have been looking for extra land for industrial facilities and accommodation. Manuela Berges, the local mayor, noted their reluctance to share information: "They're obsessed with the threat of industrial espionage."

The collapse of Sweden's Northvolt in March 2025 robbed Europe of the battery maker once considered its best hope for competing in an industry dominated by China.

Another Chinese group, AESC Envision, is planning a battery factory in western Spain. Volkswagen, which has partnered with China's Gotion, is building factories in

Germany and Valencia, Spain.

Germany and Valencia, Spain.

Stellantis is receiving €298mn of EU NextGeneration funds for its project with CATL, which has the backing of Spain's two main political parties.

Leftwing Prime Minister Pedro Sánchez has embraced China in a search for trade and investment and visited Xi three times in the past two-and-a-half years. The conservative People's party (PP), which is opposed to Sánchez on most other issues, is also championing the battery plant.

Mar Vaquero, vice-president in Aragón's PP-led regional government, said: "Relations between Spain and China are very important for these projects and we have to normalise the fact that China is a country with a high level of innovation and technology that is going to establish itself in other countries."



Mar Vaquero of the conservative People's party says people have to accept that China is going to establish itself in other countries © Eva Parey/FT

Spain's far-right Vox party has accused Sánchez's Socialists and the PP of taking a "huge risk" by accepting the project. "We're going to get practically nothing out of it," said Alejandro Nolasco, Vox's leader in the regional parliament. "They'll take the technology and the money."

Others said Spain's car industry had no choice but to turn to Chinese technology to avoid obsolescence.

"We'd established a leadership position," said Benito Tesier, president of CAAR, Aragón's auto industry association, "but the rules of the game changed and now we have to reinvent ourselves."



Benito Tesier of Aragón's auto industry association says Spain's car industry had no option but to turn to China © Eva Parey/FT

A Spanish government official said: "When it comes to EV batteries, China is the leading country. We want them to invest and to create an ecosystem with them."

Vaquero said that by producing batteries next door, CATL would scotch doubts about the viability of the Stellantis factory, the heart of an industry built around the internal combustion engine that employs 35,000 in the region. "It guarantees the future and anchors the automotive sector in Aragón," she said.

CATL and Stellantis [announced](#) at the end of last year that they would form a 50-50 joint venture to invest up to €4.1bn in the plant making lithium iron phosphate batteries.

Construction has not yet started at the site, which is the size of nearly 100 football pitches, but the plant is scheduled to begin production at the end of 2026.

Matt Shen, CATL's general manager for Europe, told [the Financial Times](#) that the company was ready to “work together” with Europe's smaller, less-advanced battery makers to help them expand.

Stellantis declined to comment on whether it had any guarantees from CATL that the company would share its technology.



Luís Bertol, mayor of Figueruelas, stresses the need to be practical and ‘not look at the colour of the investment’ © Eva Parey/FT

While South Korean battery makers such as LG and Samsung tend to purchase inputs from local suppliers in Europe, Chinese companies by custom import from home, said Martin Šebeňa, chief economist at the Central European Institute of Asian Studies.

If countries sought to impose local sourcing or employment quotas on potential Chinese investors, he added, they risked driving them away. “You need EU-wide regulations,” Šebeňa said. “If it’s left to the individual states, they will just start competing against each other.”

PLAY | 00:15

The plant will be constructed on a ground owned by Stellantis next to its ageing facility founded in the 1980s © Reuters

In previous decades when western carmakers began investing in China, Beijing obliged them to enter into technology transfer agreements. It was also common for individual companies to send European and American executives to help set up new plants.

The dispatch of Chinese workers to sub-Saharan Africa has been on a different scale. In the mid-2010s as many as 40,000 Chinese people were working on corporate construction contracts in Angola, according to data from the China-Africa Research Initiative at Johns Hopkins School of Advanced International Studies. By 2023 the numbers had dropped, with the largest contingent of 5,000 in the Democratic Republic of Congo.

In Spain, Vaquero said some CATL executives had already taken up residence in the city of Zaragoza.

CATL's Shen declined to comment on employee numbers but said: "We need to find mature workers who know the process and we also need to find enough workers in a short time."

As the recruitment and training of local employees progressed, CATL said the fully operational factory would shift to a mostly Spanish workforce with Chinese expats

making up less than 10 per cent of the total.

Luís Bertol, mayor of Figueruelas, where the battery factory will be built, said: “We have to be practical and not look at the colour of the investment, because in the end what we need here is a future. I want to be optimistic and think that we’re not going to end up as some kind of automatons directed by the Chinese government.”

Additional reporting by Edward White in Shanghai and Marton Dunai in Budapest

[Copyright](#) The Financial Times Limited 2025. All rights reserved.

Follow the topics in this article

Batteries

Spanish economy

Asia-Pacific companies

Chinese economy

Industrial goods