

Zhang
Yan,
Yilei
Sun,
Brenda
Goh



Beijing

(Reuters)

-

Tesla

(

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[A](#)

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[O](#))

is

in

advanced

stages

of

talks

to

use

batteries

from

CATL

(

[3](#)

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[7](#)

[5](#)

[0](#)

:

S
Z)
that
contain
no
cobalt
-
one
of
the
most
expensive
metals
in
electric
vehicle
(EV)
batteries
-
in
cars
made
at
its
China
plant,
people
familiar
with

the
matter
said.

FILE
PHOTO:
A
China-
made
Tesla
Model
3
vehicle
is
seen
at
a
delivery
ceremony
at
the
Shanghai
Gigafactory
of
the
U.S.
electric
car
maker
in
Shanghai,
China,
Dec.
30,
2019.
REUTERS/Yilei
Sun/File

Photo

Adoption

would

mark

the

first

time

for

the

U.S.

automaker

to

include

so-

called

lithium

iron

phosphate

(LFP)

batteries

in

its

lineup,

as

it

seeks

to

lower

production
costs
amid
faltering
overall
EV
sales
in
China.

Tesla
has
been
talking
to
the
Chinese
manufacturer
for
more
than
a
year
to
supply
LFP
batteries
that
will

be
cheaper
than
its
existing
batteries
by
a
“double-
digit
percent,”
said
a
person
directly
involved
in
the
matter,
who
was
not
authorized
to
speak
with
media
and
so

declined
to
be
identified.

Tesla
Inc
and
Contemporary
Amperex
Technology
Co
Ltd
(CATL)
declined
to
comment.

EV
manufacturers
usually
use
nickel-
cobalt-
aluminum
(NCA)
or
nickel-
manganese-

cobalt
(NMC)
batteries
on
passenger
vehicles
because
of
their
higher
energy
density,
which
is
critical
in
determining
how
far
an
EV
can
drive
on
single
charge.

To
boost

the
density
and
safety
of
its
LFP
batteries,
CATL
has
been
working
on
its
so-
called
cell-
to-
pack
technology,
the
people
told
Reuters.

It
was
not
clear

to
what
extent
Tesla
intends
to
use
LFP
batteries
but
the
automaker
has
no
plans
to
stop
using
its
current
NCA
batteries,
said
one
of
the
people.

Tesla

has
been
ramping
up
production
of
its
Model
3
cars
at
its
newly
built
\$2
billion
Shanghai
plant
and
cutting
prices
to
win
market
share
from
conventional
premium
automakers

such

as

Germany's

BMW

AG

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D

E)

and

Daimler

AG

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E).

Tesla

started

to

deliver
cars
from
the
factory
in
December,
helping
it
save
on
shipping
costs
and
tariffs
for
imported
models.

It
is
currently
seeking
regulatory
approval
to
make
longer-
range
Model

3

cars

at

the

plant.

Sales

in

China

of

new

energy

vehicles

-

referring

to

battery-

only,

plug-

in

hybrid

and

fuel-

cell

vehicles

-

likely

sank

54.4%

in
January,
industry
data
showed,
due
in
part
to
the
Lunar
New
Year
holiday
starting
earlier
than
last
year
as
well
as
the
impact
of
the
outbreak
in
China

of
a
new
coronavirus.

The
use
of
LFP
batteries
will
also
help
Chief
Executive
Elon
Musk
meet
a
2018
promise
that
Tesla
would
cut
the
use
of
cobalt

-
which
costs
some
\$33,500

a
tonne
-
to
“almost
nothing”.

Tesla
plans
to
host
a
battery
event,
probably
in
April,
to
share
its
future
battery
strategy
and

technology,
Musk
said
at
an
earnings
conference
in
January.

Reporting
by
Zhang
Yan,
Yilei
Sun
and
Brenda
Goh;
Additional
reporting
by
Tom
Daly;
Editing
by
Miyoung
Kim
and
Christopher

Cushing

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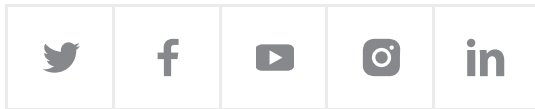
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and

delays.

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