# Mercedes-Benz Begins VLE Production in China as German Sites Face Uncertainty

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The Mercedes-Benz VLE electric minivan, manufactured at the Fujian-Benz plant in China.

Mercedes has begun mass production of its electric VLE minivan ar the Fujian-benz plant in China shortly after the comapny announced a suspension of investments in Germany and began examining possible Plant closures. The Chinese facility, a joint venture between Mercedes-Benz, BAIC and Fujian Motor industry, will build the VLE alsongside the V-Class and Vito. The seven-seat electric model is scheduled to make its public debut at the Guangzhou Auto Show on 27 November. Its production in China highlights the contrast between the automaker's continued manufacturing operations in the country and growing pressure on its German industrial base.

## Mercedes-Benz's Industrial Future Between Germany and China

Mercedes-Benz's latest move highlights the challenges facing Germany as an industrial location. Labour costs are certainly a factor, but they are far from the only concern. High taxes, expensive energy, excessive regulation

and a lack of political support have all added to the pressure on businesses. Germany's green transition has also raised questions about the direction of industrial policy and made long-term investment decisions more difficult. Mercedes has not announced plans to leave Germany, but its decision to pause investment while continuing production in China raises questions about where the company sees the most favourable conditions for future growth. Berlin cannot afford to ignore these concerns.

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