

VACUUMSCHMELZE's Dr. Erik Eschen on Securing \$335M Financing to Build North America's First Permanent Magnet Facility

written by Tracy Hughes | September 10, 2024

September 10, 2024 – In a recent interview with Tracy Hughes, Dr. Erik Eschen, CEO of [VACUUMSCHMELZE GmbH & Co. KG](#) (VAC), shared his excitement about the company's recent achievements, particularly the \$335 million debt financing [secured](#) in collaboration with [Ara Partners](#). This financing will enable VAC to establish North America's first permanent magnet manufacturing facility, located in Sumter County, South Carolina. Dr. Eschen highlighted the smooth process and rapid progress, noting, "We are extremely excited ourselves that we made that happen, and it was an extremely smooth and very quick process." The facility, set to be operational by late 2025, will play a key role in strengthening the U.S. supply chain for critical minerals, particularly for electric vehicles (EVs), military, and industrial sectors.

Dr. Eschen also credited the strong partnership with General Motors (GM), which has been instrumental in bringing the project to fruition. "They came to us actually and said there's a huge issue on the supply chain of permanent magnets. We want to have a resilient supply chain outside China on U.S. soil," Eschen explained. The financing, led by Ara Partners, underscores the firm's commitment to decarbonizing the industrial economy and advancing the energy transition. The South Carolina site was

selected for its favorable infrastructure, energy availability, and skilled workforce, with Eschen praising local and federal support, including the Department of Defense (DoD), which played a critical role in securing additional funding for the project.

To access the complete interview, [click here](#)

About VACUUMSCHMELZE (VAC)

VAC is a leading global producer of advanced magnetic solutions, rare earth permanent magnets, and inductive components that are crucial for the decarbonization of our planet. With more than 100 years of application know how and experience in material science and product development, VAC designs and manufactures mission critical solutions for a wide variety of industries, including renewable energy, e-mobility, automotive, industrial automation, medical, aerospace and defense. VAC's unique ability to develop and manufacture from base elements through final products enables us to provide customers optimal form factors and performance, generating best in class efficient solutions in an environmentally conscious manner.

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