

# Ford takes on EV challenge with \$7B investment in four new Tennessee and Kentucky factories

Article

**The news:** Ford announced plans to build its first new US assembly plant in decades, along with three battery factories intended to strengthen its position in the EV market, [per](#) The Wall Street Journal.

**Why it's worth watching:** Ford's announcement marks a major step toward fulfilling its pledge to shift its business toward EVs. It was one of the companies that made a [commitment](#) to President Biden that **half of the cars and light trucks sold in the US by 2030 will be EVs.**

- By 2025, Ford plans to build two battery factories in Kentucky and a third in Tennessee located alongside a new factory dedicated to electric pickups.
- Ford expects to spend **\$7 billion** on the project—it's the largest manufacturing investment in its history.
- Ford is collaborating with South Korean battery maker SK Innovation to contract the battery facility. The two companies will invest **\$11.4 billion in the future of EVs.**
- The factories will create **11,000 new jobs** as well as helping to position Ford as a leading EV producer.

**Why this could succeed:** Ford has established a reputation as the leading truck manufacturer. Its F-Series pickup truck has been **America's best-selling vehicle for 39 straight years** and is the industry's top-selling truck for 44 consecutive years, [per](#) CNBC.

Ford has the market position to lead the move toward electric pickup trucks. The company says it is already seeing higher-than-expected demand for its forthcoming electric **F-150 Lightning pickup truck**, with more than 150,000 nonbinding reservations since its announcement in May.

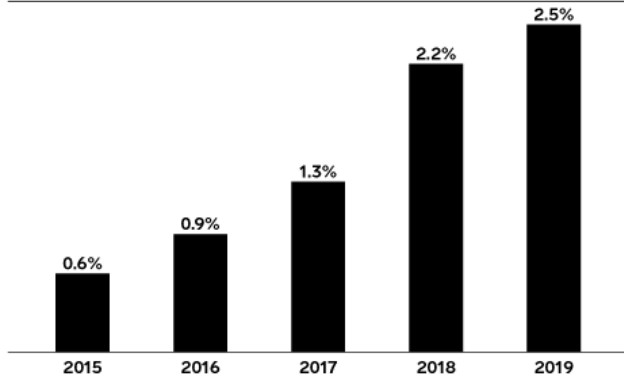
- Ford's investment in three battery plants in collaboration with SK Innovation can help it build in-house expertise in EV battery technology tailor-fitted for its vehicles. This could help it avoid issues like its rival GM's \$2 billion Chevy Bolt EV battery [recall](#).
- EV pickup trucks could potentially become the next area of growth for EVs. Pickups [outsold passenger cars](#) for the first time in 2020. Their popularity gives market leader Ford a rare opportunity to reshape the industry toward EV adoption.

---

## Share of Total Electric Light Vehicle Sales Worldwide, May 2020

% of total sales

---



Source: EV-volumes and IHS Markit, "Light Vehicle Sales Forecast: May 2020" as cited in McKinsey & Company blog, July 17, 2020

257591

eMarketer | InsiderIntelligence.com