

Ford repackages investment, boosts new jobs from 850 to 900

March 20 2019, by Tom Krisher



This Feb. 15, 2018, file photo shows a Ford logo on the grill of a car on display at the Pittsburgh Auto Show. Ford Motor Co. is repackaging a previously announced manufacturing investment in the Detroit area and now says it will spend \$900 million and create 900 new jobs over the next four years. Most of the new workers will build a new generation of electric vehicle at Ford's existing factory in Flat Rock, Michigan, south of Detroit, which will see an \$850 million investment. (AP Photo/Gene J. Puskar, File)

Ford Motor Co. is repackaging a previously announced \$900 million

manufacturing investment in the Detroit area, boosting the number of jobs added from 850 to 900.

Most of the new workers will build a new generation of electric vehicle at Ford's existing factory in Flat Rock, Michigan, south of Detroit, which will see an \$850 million investment. The company also plans a roughly \$50 million autonomous vehicle manufacturing center at an undisclosed site near Detroit that will add hardware to existing vehicles.

Back in January of 2017, Ford had announced different plans for the money, directing \$700 million to the Flat Rock plant to make hybrid, electric and autonomous vehicles. Later that year, the company moved an all-electric SUV to a factory in Mexico, freeing more space at Flat Rock to build future electric and self-driving cars and adding \$200 million to that investment. At that time, it was promising 850 new jobs.

Wednesday's announcement comes just after a three-day string of venomous tweets by President Donald Trump condemning crosstown rival General Motors for shutting down its small-car factory in Lordstown, Ohio, east of Cleveland. Trump demanded that GM reopen the plant, criticized the local union leader and expressed frustration with GM CEO Mary Barra.

Joe Hinrichs, Ford's president of global operations, wouldn't directly answer questions about whether Trump's actions influenced the moves, but said Wednesday that the investment is part of the company's plans to run its business more efficiently. The timing of the announcement was due to requirements that parts suppliers be notified of manufacturing plans, Hinrichs said.

"We've been running our business this way for 10-plus years," he said in an interview. Hinrichs said Ford is aware that auto manufacturing gets a lot of attention these days, and said he is proud that Ford employs more

workers represented by the United Auto Workers union than any other manufacturer. A union spokesman confirmed that statement.

The company intends to add a second shift at Flat Rock to build an electric vehicle, which Hinrichs would not detail. Ford said production would begin in 2023.

Hinrichs said that company projections of electric vehicle sales made it clear that Ford needed more space to build them.

"We had to change some of our plans," he said, adding that the new plan is a better use of capital spending dollars.

Ford said it expects more electric vehicle sales in the coming years largely because millennials, the fastest-growing segment of the U.S. population, are more open to buying them. The company also sees higher gasoline prices and stronger emissions regulations in the future as well as more electric vehicle charging stations.

The Flat Rock plant now builds the Mustang muscle car and the Lincoln Continental luxury car, which has a murky future because Ford has announced it intends to stop selling all cars in the U.S. but the Mustang. It plans to transfer 650 workers from Flat Rock to other factories in April.

Hinrichs said the new autonomous vehicle center will start modifying existing Ford models with plans to deploy them in 2021, as previously announced.

© 2019 The Associated Press. All rights reserved.

Citation: Ford repackages investment, boosts new jobs from 850 to 900 (2019, March 20) retrieved 13 March 2024 from <https://phys.org/news/2019-03-ford-repackages-factory->

[investment-jobs.html](https://phys.org/investment-jobs.html)

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.