

Ford, SK Innovation announce US electric battery venture

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Jim Farley, CEO of Ford Motor Company, posed with the new all-electric F-150 Lightning at a reveal event Wednesday night.

US auto giant Ford and South Korea's SK Innovation plan to team up to produce battery cells and array modules for electric autos, the companies

announced Thursday.

The companies signed a memorandum of understanding to establish BlueOvalSK, a [joint venture](#) that will initially plan production of 60 gigawatt hours annually of capacity at mid-decade, with potential to expand further.

The move is the latest by Ford to accelerate its ramp-up in [electric vehicles](#) as governments, including the Biden administration, enact policies to mitigate [climate change](#) and minimize auto-related emissions.

On Wednesday night, Ford officially unveiled the all-electric version of its bestselling F-150 pickup truck, part of Ford's \$22 billion electric investment campaign.

Ford Chief Executive Jim Farley said Thursday that the automaker was determined to "in-source" batteries and other critical items needed as autos become more connected and employ more autonomous systems.

Besides the F-150, called the Lightning, Ford has begun selling the electric Mustang Mach-E sport utility vehicle and will soon bring the E-Transit cargo van to showrooms.

"In the next 10 months, we're going to have these three high-volume vehicles and we need batteries, so yes we're investing," Farley told CNBC, adding that integrating batteries into Ford's operation would contain costs.

Ford's joint venture with SK Innovation is subject to regulatory approvals and other conditions, the companies said.

SK Innovation has produced mid-to-large EV batteries since 1991 and currently operates a battery plant in Georgia that serves two global

carmakers.

"Ford is one of the most active players in vehicle electrification today," said Kim Jun, chief executive of SK Innovation in a news release. "Our JV with Ford will play a pivotal role in fleshing out the electric vehicle value chain in the United States, a key objective of the current US administration."

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