

GM delays Indiana electric vehicle battery factory but finalizes joint venture deal with Samsung

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People walk by Samsung SDI Co.' booth during the InterBattery 2021, the country's leading battery exhibition, at COEX in Seoul, South Korea, on June 9, 2021. Credit: AP Photo/Ahn Young-joon, File

Production at an electric vehicle battery cell plant jointly run by General Motors and Samsung SDI has been delayed as EV sales have slowed in the U.S.

The companies finalized their agreement Tuesday to jointly run the new factory in New Carlisle, Indiana, near South Bend, but said production would not start until 2027. Previously the plant was expected to start making cells in 2026.

The delay will be less than a year, due to [market](#) conditions and working out contract details, GM said. Construction of the factory is already under way.

Electric vehicle sales in the U.S. are still growing but have slowed as more practical consumers worry about range and the ability to recharge while traveling. Market leader Tesla Inc. has cut prices, forcing others to follow.

U.S. electric vehicle sales overall rose about 7% during the first half of the year to 599,134, Motorintelligence.com reported. EVs accounted for 7.6% of the U.S. new vehicle market, about the same as it was for all of last year. Lease deals, which include federal tax credits, helped to boost sales.

GM and Samsung announced the [joint venture](#) in June of last year. The \$3.5 billion plant is being built on a 680-acre site and is expected to employ 1,600 workers. It will make nickel-rich prismatic batteries that store more energy than other chemistries, lowering costs and improving driving range, the companies said.

The plant also will help Samsung get into the North American EV market, selling cells to other companies.

The project is GM's fourth joint venture battery cell factory. It has announced three others with South Korea's LG Energy Solution. A 900-worker factory near Warren, Ohio, already is making [cells](#), as is a plant in Spring Hill, Tennessee. Another in Lansing, Michigan, is being built.

GM switched to Samsung after several recalls of Chevrolet Bolt [electric vehicles](#) equipped with LG batteries due to manufacturing defects that could cause fires.

Automakers mainly in the U.S. and Europe have delayed battery and electric vehicle production as sales have slowed. Last week, Ford announced it would postpone a new big electric pickup truck by 18 months and scrub a new large electric SUV with three rows of seats. Instead it will focus on electric midsize pickups and a commercial van, as well as gas-electric hybrids.

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