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Ford pauses a \$12 billion EV investment, after saying electric vehicles are too expensive

Tom Carter Oct 27, 2023, 10:26 PM GMT+1



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Ford said that the pace of EV adoption has been slower than the company expected. Lukas Schulze/Getty Images

- Ford has postponed \$12 billion in spending on EV manufacturing capacity.
- The company has warned that electric vehicles are too expensive and that demand is slowing.
- Other automakers are also cutting investment and abandoning manufacturing targets.

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Ford has halted billions of dollars in investment in EV manufacturing, warning that customers will not pay a premium for these vehicles.

The auto giant announced in its third-quarter earnings call on Thursday that it would postpone \$12 billion in planned spending on electric vehicle production and pause some major projects, including the construction of a new battery factory in Kentucky.

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"Given the dynamic EV environment, we are being judicious about our production and adjusting future capacity to better match market demand," said Ford CFO John Lawler.

"All told, we have pushed about \$12 billion of EV spend, which includes capex, direct investment, and expense," he added.

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The company stressed that it is still committed to spending on future EV models, however.

"We're not moving away from our second generation [EV] products," Lawler said in a media briefing on Thursday, [per CNBC](#).

"We are, though, looking at the pace of capacity that we're putting in place. We are going to push out some of that investment," he added.

Speaking after the results, Lawler [said the transition to EVs](#) was "well underway," but admitted that the pace of adoption was slower than expected.

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Ford had already announced that it would [abandon its target of building two million EVs](#) by 2026, and its latest move comes as auto companies take an increasingly cautious tone [on the future of electric vehicles](#).

Honda CEO Toshihiro Mibe [told Bloomberg](#) that the company was ending development of an affordable electric model, and General Motors has also [abandoned its targets](#) to build 500,000 EVs by the first half of 2024.

In a recent interview [with The New York Times](#), Ford's executive chair Bill Ford said that high prices were the main reason why Ford was slowing EV production.

"Electric vehicles are expensive," he said. "We know prices will come down, and as that happens, we will have a bigger ramp-up of EVs."

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Ford did not immediately respond to a request for comment from Insider, made outside normal working hours.

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