# Stellantis is blaming EVs for its upcoming Jeep layoffs

Stellantis, the company behind Fiat, Dodge, and Jeep, has announced that it plans to halt one of its plants and lay off 1,200 workers come February. Its reasoning? Pressure from COVID-19, sure, along with a dash of chip shortages — but mainly all those electric vehicles it has to make.

The factory in question is one that builds Jeep Cherokees in Illinois, and the news comes as the automaker is gearing up for union negotiations. While United Auto Workers argues that "the transition to electrification also creates opportunities" at the plant, an unnamed Stellantis spokesperson told CNBC and *The Wall Street Journal* that it was instead the reason for the halt. "The most impactful challenge is the increasing cost related to the electrification of the automotive market," the company claims, adding that it's exploring other uses for the plant, and that it's trying to find jobs for the workers it's laying off.

Stellantis is spending billions on EVs

But let's back up for a second — one of the world's largest automakers is saying it has to shutter a plant indefinitely because of *how much electrification is costing*? That's a bold claim, especially since it's coming from a company I'd consider to be in distant third in the big three American automakers' race to move their lineups from gas to batteries. It also doesn't help that Stellantis has been promising quite a few electrified Jeeps, and it's hard to see why this factory couldn't play a role in making those vehicles, at least one of which is due out next year (and many of which have been very difficult to find).

This isn’t to say that Stellantis isn’t spending big on EVs — it’s promised to split an up to $3 billion bill with Samsung for a battery factory in Indiana, and it’s investing $4.1 billion in a similar facility located in Canada, this time with LG. But that’s not an unthinkably large investment compared to some of its peers: GM is spending a whopping $7 billion on one of its *three* EV battery factories in the works, Honda’s helping build a $4.4 billion plant in Ohio (and spending $700 million more to retool existing facilities), and Ford has announced it’s building three EV-related locations with a price tag of over $11.4 billion.

Ford’s an interesting comparison, though, because it also went through a recent round of layoffs, cutting around 3,000 jobs. No prizes for guessing one of the excuses it gave employees; “We have an opportunity to lead this exciting new era of connected and electric vehicles,” read a memo from CEO Jim Farley and chairman Bill Ford. “Building this future requires changing and reshaping virtually all aspects of the way we have operated for more than a century.” That, of course, meant cutting jobs.

It’s too early to say whether EVs are going to become a common scapegoat if the auto industry keeps carrying out layoffs, but now we have at least two companies trying to paint thousands of peoples’ livelihoods as the cost of the future. (EV-native companies like Tesla or Rivian, which have also had their own massive rounds of layoffs this year, don’t have that luxury.)

https://www.theverge.com/2022/12/9/23502559/stellantis-electrification-costs-layoffs-plant-halt