

Stellantis, Samsung sign MOU to build second gigafactory in the US

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Stellantis-Samsung SDI's second gigafactory in the US is slated to have an initial production capacity of 34 GWh

European-American carmaker Stellantis NV and its South Korean battery supplier Samsung SDI have signed a memorandum of understanding (MOU) to establish a second battery manufacturing plant in the US, Stellantis announced July 24.



Source: Getty Images/D3Damon

The company said that the second battery plant will come under its existing joint venture with Samsung SDI named StarPlus Energy. Stellantis, which aims to commence production operations in 2027, said that the planned gigafactory is slated to have an initial production capacity of 34 GWh.

Commenting on the second battery plant in the US, Stellantis CEO Carlos Tavares said, “This new facility will contribute to reaching our aggressive target to offer at least 25 new battery[-]electric vehicles (BEVs) for the North American market by the end of the decade. We are continuing to add more capacity in the US together with our great partner Samsung SDI and laying the next steps to reaching our carbon neutrality commitment by 2038.”

Adding to that, Samsung SDI President and CEO Yoon-ho Choi said, “By establishing the joint venture with Stellantis [in 2022], we laid a solid groundwork for marking our presence in North America. The second plant will accelerate our market penetration into the US and help Stellantis push forward the US transition to an era of electric vehicles by supplying the products featuring the highest levels of safety and quality.”

Significance: In May 2022, Stellantis and Samsung SDI had first announced their plan to build a battery manufacturing facility in Kokomo, Ind. Stellantis-Samsung SDI's first battery plant in the US is slated to launch operations in the first quarter of 2025 with an annual production capacity of 33 GWh, up from the initial target of 23 GWh.

These plans are aligned with the carmaker's Dare Forward 2030 strategic plan, wherein Stellantis aims to reach a 100% passenger car BEV sales mix in Europe and 50% passenger car and light-duty truck BEV sales mix in the US by 2030.

Interestingly, to achieve these sales targets, the company aims to secure approximately 400 GWh of battery-production capacity. Stellantis said that the company is on track to become a carbon net-zero corporation by 2038, all scopes included, with single-digit percentage compensation of remaining emissions.

The location of the second battery plant is currently under review and the carmaker plans to share further details at a later date.

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