# Michigan's electric vehicle industry sees robust investment amidst political shifts



In recent days, the electric vehicle (EV) industry in Michigan has come into focus as robust investment continues to reshape the state's economic landscape, despite fluctuating political winds. Following President Donald Trump’s recent criticisms of the EV sector, including an executive order aimed at reversing President Joe Biden's electrification targets, the outlook among industry stakeholders within Michigan remains optimistic.

Michigan is currently witnessing a substantial inflow of capital, with over $27 billion being channelled into approximately 60 EV manufacturing and battery projects. This significant investment positions Michigan ahead of Georgia, which has attracted $26.6 billion, according to Atlas Public Policy. This shift demonstrates that Michigan, historically celebrated as the cradle of American automotive manufacturing, is transitioning to a leading hub for electric vehicle innovation.

Noteworthy projects under this EV initiative include Factory ZERO, General Motors' renovated assembly plant in Hamtramck, which is dedicated to producing electric versions of Hummers and Silverados. Additionally, a $1.6 billion battery manufacturing campus in Van Buren Township is anticipated to generate over 2,100 jobs and produce around 200,000 EV battery packs annually once fully operational. The development of a futuristic facility in Detroit's Corktown neighbourhood highlights the state’s commitment to innovation, where Newlab operates as a collaborative space for entrepreneurs and automotive collaborators.

Commenting on the current investment climate, auto dealer Eric Frehsée from Tamaroff Auto Group expressed his confidence in the direction the industry is taking, stating, “I think that the investments aren’t ill spent.” Frehsée's dealership has adapted, securing equipment to handle electric vehicles and training technicians to service their evolving inventory.

On the east side of Detroit, Ray Smith leads an EV training programme for aspiring auto technicians at Blast Detroit, where students gain proficiency in the complexities of EV systems, diverging from traditional internal combustion engine vehicles. Despite potential policy shifts at the federal level, Smith emphasised, “We’ve got to move forward, of course.”

The recent directive from President Trump has led to uncertainty within the EV market. The executive order acts to eliminate an EV “mandate,” which aimed for half of all new vehicles sold in the U.S. by 2030 to be electric. The President's announcement signifies a potential rollback of initiatives aimed at reducing greenhouse gas emissions, along with a likely repeal of the $7,500 federal tax credit for new EV purchases, alongside a pause on funding earmarked for EV charging infrastructure.

Automakers are responding to the shifting political climate. Stellantis, producer of Jeep and Ram, noted in a statement that they are “well positioned to adapt to the policy changes enacted by the new Administration." However, Ford and General Motors did not provide comments regarding the recent changes.

Industry analysis indicates that the overall growth of EV sales has encountered challenges. By 2024, EVs comprised 8.1% of new vehicle sales in the U.S., a growth rate that has dwindled compared to previous years, as reported by Motorintelligence.com. Despite decreasing prices for EVs, the upfront cost remains a barrier when compared to gasoline vehicles.

Bruce Westlake, president of the Eastern Michigan Electric Automobile Association, highlighted the environmental motivations of consumers, but cautioned that, “that demand could dampen with less federal support for EVs and clean energy broadly.” He raised concerns about the potential for automakers to produce vehicles that do not align with market demand, possibly impacting their long-term viability.

In a related development, Detroit-based company Plug Zen is concentrating on developing EV charging infrastructure for commercial fleets. CEO Q Johnson indicated a “wait and see approach” regarding the future of Michigan’s EV landscape, reaffirming his commitment to ensuring the industry stays innovative and relevant.

As Michigan continues to navigate these complex dynamics within the EV landscape, the implications of political decisions and investment trends will undoubtedly shape the trajectory of the industry in the state and beyond.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.bridgemi.com/business-watch/michigan-boosts-funding-attract-new-ev-related-factories> - This article discusses Michigan's efforts to attract new EV-related factories through increased funding, highlighting the state's commitment to advanced manufacturing and electric vehicle production.
* <https://electrificationcoalition.org/work/state-ev-policy/michigan-ev-policy/> - The Electrification Coalition provides insights into Michigan's EV policy landscape, emphasizing the state's leadership in electric vehicle manufacturing and battery production.
* <https://www.michigan.gov/whitmer/news/press-releases/2023/03/14/michigan-a-top-state-for-electric-vehicle-and-battery-investments> - This press release highlights Michigan's position as a top state for EV and battery investments, mentioning significant projects and job creation in the sector.
* <https://www.atlaspolicy.com/> - Atlas Public Policy provides data on EV investments across states, which could support the comparison between Michigan and Georgia's EV investments.
* <https://www.gm.com/company/newsroom/press-releases/2022/jan/25/factory-zero.html> - General Motors' Factory ZERO is a notable project in Michigan's EV manufacturing landscape, focusing on electric vehicle production.
* <https://www.ournextenergy.com/> - Our Next Energy's $1.6 billion investment in a battery manufacturing campus in Van Buren Township is a significant development in Michigan's EV sector.
* <https://www.whitehouse.gov/briefing-room/statements-releases/2023/08/31/fact-sheet-biden-harris-administration-advances-electric-vehicle-charging-infrastructure/> - This White House statement discusses federal initiatives to support EV charging infrastructure, which contrasts with recent policy shifts.
* <https://www.motorintelligence.com/> - Motorintelligence.com reports on EV sales trends, including the percentage of new vehicle sales that are electric in the U.S.
* <https://www.stellantis.com/en/news/press-releases> - Stellantis' statements on adapting to policy changes reflect how automakers are responding to shifts in the political climate.