



Written by [Bob Adelman](#) on January 11, 2017

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## Fiat Chrysler Announces \$1 Billion Investment in U.S., Creating 2,000 Jobs

Fiat Chrysler Automobiles (FCA), the American arm of Fiat-Chrysler, [announced on Sunday](#) that it was investing \$1 billion in expanding its plants in Warren, Michigan, and Toledo, Ohio — a move which would result in 2,000 new jobs by 2020:

“Consistent and combined with previously announced investments, FCA US is further demonstrating its commitment to strengthening its U.S. manufacturing base, and aligning U.S. capacity to extend the Jeep product lineup.”



Some have speculated that the announcement demonstrated the company’s commitment to head off any untoward and painful sanctions threatened by President-elect Donald Trump. Trump reiterated his threat last Thursday when he tweeted: “Toyota Motors said will build new plant in Baja, Mexico, to build Corolla cars for U.S. NO WAY! Build plant in U.S. or pay big border tax.” To that direct threat, Toyota announced a \$10 billion investment in the United States over the next five years, equal to its capital investment in the country over the last five years.

That was followed by comments from Renault-Nissan’s CEO, Carlos Ghosn, at the Consumer Electronics Show in Las Vegas: “We are pragmatic. We will adapt to any situation.”

But at a press conference at the Detroit Auto Show, FCA’s CEO Sergio Marchionne (shown) said his company’s decision had nothing to do with implied pressure from Trump, nor any attempt to preempt him from punishing his company: “We’re not going to do anything about President-elect Trump,” he added.

All that FCA is doing is following up on the terms of its labor agreement inked in 2015, which committed the company to invest \$5.3 billion in its American facilities. Last July, FCA announced the first round of that investment commitment with expansions and improvements at its plants in Illinois, Ohio, and Michigan. Sunday’s announcement was the second round of the company’s “industrialization plan” hammered out between labor and management long before Trump started his campaign.

FCA said it is going to retool its Warren plant to produce a new line of large SUVs under the old “Wagoneer” name it retired back in 1991. It’s also going to build a new Jeep pickup truck after



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renovations at its Toledo plant are completed. FCA was quick to announce an added benefit to the Warren plant's upgrades: "The added benefit of the investment is that it will enable the [Warren] plant to produce the Ram heavy duty truck, which is currently [being] produced in Mexico."

To which Trump tweeted: "'It's finally happening — Fiat Chrysler announced plans to invest \$1 BILLION in Michigan and Ohio plants, adding 2000 jobs. This after Ford said last week that it will expand in Michigan and U.S. instead of building a BILLION dollar plant in Mexico. Thank you Ford & Fiat C!"

Despite protestations to the contrary (that these moves by major car makers have nothing to do with Trump's implied threats and everything to do with supply and demand and union agreements), observers have long recognized the need for those automakers to deal with both economic and political reality. With Ford, Fiat Chrysler, and Nissan going along to get along, can General Motors be far behind?

*Photo: AP Images*

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