

Ford says to build new, multi-million plant in China

SHANGHAI: US auto giant Ford said on Thursday (19 April 2012) it would build a US\$760-million plant in China's eastern city of Hangzhou, as foreign companies ramp up output in the world's biggest car market.



Ford and its Chinese joint venture will build the assembly plant in a bid to double annual production capacity in China to 1.2 million passenger cars after the factory opens in 2015, Ford said in a statement.

"The Chinese auto market remains one of the most vibrant in the world," Dave Schoch, chairman of Ford China, said in the statement. As the world's largest auto market, China has become increasingly important to foreign players. China's vehicle sales rose an annual 2.5 percent to 18.51 million units in 2011.

But growth in the market has been slowing after the government rolled back sales incentives and some cities imposed tough restrictions on car numbers to ease chronic traffic congestion and pollution. Ford has based most of its China operations in the southwestern megacity of Chongqing, where it has two assembly plants. The US company also has plant in the eastern city of Nanjing.

The US car maker had previously announced plans to bring 15 new vehicles to China by 2015. The new plant will bring Ford's total investment in China to \$4.9 billion, the statement said.

The auto giant said the latest investment was part of its largest expansion in 50 years and would help the company boost global sales by about 50 percent from 2010 to eight million vehicles annually, the statement said.

The announcement comes ahead of the China auto show, a key industry event, which starts in Beijing next week.

Source: AFP