

Kia CEO Resigns After 100,000-Vehicle Recall

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SEOUL, South Korea (AP) — The top executive at Kia Motors has resigned after the company recalled more than 100,000 vehicles worldwide over defective wiring, the automaker said Tuesday.

Chung Sung-eun, vice chairman and CEO of South Korea's No. 2 automaker, stepped down on Friday, according to company spokesman Michael Choo.

"His resignation comes in the light of the recent global recall issued by Kia Motors," Choo said, without elaborating. He said no successor has been named. Chung was one of two Kia CEOs.

Kia Motors Corp. is an affiliate of South Korea's top automaker Hyundai Motor Co. Together they form the world's fifth-largest automotive group.

Chung's resignation comes amid a wave of recalls that have shaken the global auto industry since Japan's Toyota Motor Corp. began calling in vehicles in October last year. The world's top automaker has recalled more than 10 million vehicles for problems including faulty gas pedals and floor mats.

South Korea's Yonhap news agency reported that Hyundai Motor Chairman Chung Mong-koo asked Chung to step down to take responsibility for the recalls as they suggested possible quality problems.

Neither Choo nor Hyundai Motor spokeswoman Song Meeyoung could confirm the report.

Chung, the former Kia executive, is no relation to the Hyundai chairman, Choo said.

Early this month Kia issued a global recall totaling 104,047 vehicles for a defect in electric wiring that controls mood lighting inside the car and could cause heat-related damage, according to Choo. Of that total, 35,185 vehicles were recalled in the United States, he said.

Seoul-based Kia has a complex management system. Though Chung held the top rank, day-to-day operations come under the control of two presidents: Hank Lee for overseas operations and Seo Young-jong for domestic operations, according to Choo. Seo also holds the title of CEO, said Pamela Munoz, a Kia spokeswoman.

Kia, which posted a 61 percent surge in second-quarter net profit, manufactures vehicles in South Korea as well as at overseas plants in China, Slovakia and the U.S.

The company's stock price fell 0.2 percent to close Tuesday at 33,400 won (\$28.38). Kia shares tripled in value in 2009.

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