GE To Sink $2 Billion Into Chinese Partnerships

NEW YORK (AP) — General Electric Co. plans to sink more than $2 billion into its efforts in China through 2012 as the conglomerate looks to build partnerships there.

GE said Tuesday that it will likely spend $500 million on research and development and new customer innovation centers, adding more than 1,000 new jobs. More than $1.5 billion is expected to be put toward new joint ventures with Chinese state-owned enterprises in high-technology sectors.

The news comes a day after GE named John Rice head of global operations. In that role, Rice will concentrate on growth in markets including China, India the Middle East and Brazil.

GE, which began business in China in 1906, is looking to keep pace with China's fast growth. Chairman and CEO Jeff Immelt, who this past weekend traveled to India with President Barack Obama looking to drum up work for U.S. businesses, said in a statement that China is the world's fastest-growing market for aviation, energy, transportation, health care and financial services.

The company based in Fairfield, Conn., has 36 wholly owned entities and joint ventures in China in manufacturing, service and research and development. It has 14,000 workers in China.

GE said the new customer innovation centers, which will be built in six cities, will be used to better serve the west, north, central and south China markets. Among the cities being considered for centers include Chengdu, Shenyang and Xian. The new facilities will work closely with existing research and development operations in Shanghai, Beijing and Wuxi.

The centers will concentrate on product development, engineering for applications, sourcing support and delivery in development areas such as rural health care, renewable and clean energy, smart grid, energy-efficient lighting, rail and aviation.

To accomplish its work in these areas, GE is teaming with a series of Chinese businesses. Among the deals announced are an agreement to start a joint venture with Beijing National Railway Research & Design Institute of Signal & Communication to supply railway and urban transit signaling systems.

The company is also in a joint venture with Wuhan NARI Co. Ltd, owned by China's State Grid, to make and market grid monitoring and diagnostics products. GE is also looking to form a joint venture with Chengdu Locomotive & Rolling Stock Works, a company owned by China South Locomotive and Rolling Stock Corp., to create propulsion system sets, sub assemblies and parts for diesel locomotives.

GE also is involved in a joint acquisition with State Grid-owned Shanghai Electric Power Co. for a controlling interest in Shanghai Tianling Switchgear Co., a Shanghai-based green power distribution equipments maker.

"These commitments represent GE's confidence in China's long-term economic prospects," Mark Norbom, president and CEO of GE Greater China, said in a statement.

GE operates in more than 100 countries and has approximately 300,000 employees globally.

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