GM To Assemble China-Made Autos In Egypt

SHANGHAI (AP) — SAIC-GM-Wuling, a General Motors Co. joint venture, plans to assemble autos in Egypt from kits made in China, competing in the same markets targeted by Chinese domestic car exporters.

GM said Tuesday that production at General Motors Egypt from Chevrolet Move vehicle kits produced by SAIC-GM-Wuling would begin by the third quarter of 2012.

Introducing the Chevrolet Move, a van, in Egypt will help expand its market there, while also allowing SAIC-GM-Wuling to increase output and improve its competitiveness.

GM Egypt plans to produce about 5,000 Moves a year. GM also sells an imported van, the Chevrolet N200, in Egypt and other African markets.

China's auto exports are mainly buses, trucks and knockdown kits for assembly overseas, sold by domestic manufacturers to developing countries.

Exports of made-in-China vehicles by foreign joint ventures have been limited until recently, largely due to the struggle to keep up with surging local demand.

But lax demand this year inside China is spurring efforts to export more to other fast-growing markets, though rising costs for labor and materials are already eroding the price competitiveness of many manufacturers.

Last year such exports accounted for less than 3 percent of the 18.3 million vehicles produced in China, far behind South Korea, Thailand, India and Brazil.

But exports rose 57 percent in January-July, to 454,400 units, according to the industry group China Association of Automobile Manufacturers.

Top export markets include Algeria, Russia, Brazil, Vietnam and Chile.

SAIC-GM-Wuling, mainly a maker of minivehicles such as minivans and small cars, has thrived in recent years thanks to tax incentives and subsidies supporting sales of compact, energy efficient vehicles.

Strong demand for minivans, favored by business owners in rural areas, has also helped pump up growth.

Reviving after a slow start this year, the company's sales jumped 19 percent to 111,957 vehicles in October, GM said.

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