

Ford To Expand Chinese Factories Again

The Associated Press

DEARBORN, Mich. (AP) — Ford will expand its biggest factory complex in China to meet growing demand in the world's largest car market.

The \$600 million expansion will include a new assembly line, body shop and paint shop at its Chongqing site in southwestern China, Ford said Thursday. Chongqing is the company's largest manufacturing operation outside of the Detroit area.

Ford is trying to catch up with rivals who have been in China longer and command a bigger share of sales. The expansion will give the automaker the ability to make 350,000 more vehicles per year, increasing its total to 950,000 by 2014. That will help Ford's goal of tripling the cars in its Chinese lineup to 15 over the next three years.

Ford opened a new vehicle assembly plant Chongqing in February, one of four new factories due to begin operations by the end of next year. The company already has two assembly plants and an engine plant in operation there.

Like many other automakers, it is banking on the potential for growth in sales in China's vast hinterland, where most families have yet to buy their first cars and demand is expected to soar with rising incomes. The growing factory complex in Chongqing is part of Ford's plan to boost worldwide sales by nearly 50 percent by 2015, to about 8 million vehicles per year.

Ford will invest in the factory with joint-venture partner Changan Ford Mazda Automobile Limited. Changan Ford Mazda makes the Mondeo midsize car, the Focus compact, Fiesta subcompact and S-Max small van for sale in China. Changan Ford Mazda also has factories in Nanjing, China.

Ford has a relatively small presence in China. Its January and February sales fell 16 percent from a year earlier to 71,954. General Motors' China sales rose by 7.7 percent to 487,208 over the same period.

Overall, China's vehicle sales weakened further in the first two months of this year as the economy slowed and higher fuel prices deterred some buyers.

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