Nissan's Luxury Infiniti Brand Opens Hong Kong HQ

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HONG KONG (AP) — Nissan's upscale Infiniti brand unveiled its new global headquarters in Hong Kong on Tuesday, as the Japanese automaker uses the southern Chinese financial center to grab a bigger piece of the world's top car market.

Nissan Motor Co. President and CEO Carlos Ghosn dotted the eyes on traditional Chinese lion dancers at a ribbon cutting ceremony for the new office.

Infiniti is the first car maker to base itself in Hong Kong, a semiautonomous region of China better known for its banking prowess and stock market.

Ghosn said the company chose to move the high-end division to Hong Kong so staff could better observe the city's luxury goods market. Many foreign brands have flocked to the city in recent years in pursuit of wealthy Chinese shoppers.

He reiterated Infiniti's target to raise market share in China to 10 percent of the luxury car market from 3 percent now.

"During the next five years, Hong Kong and mainland China will together be our most important growth market," Ghosn said.

He brushed off worries of a slowing Chinese economy, pointing out that the world's biggest car market was still expanding.

Some 18.5 million vehicles were sold in China last year but sales growth has been slowing, from 35 percent in 2010 to just 2 percent in the latest quarter.

Ghosn said 5-6 percent growth for the passenger car market in 2012 is "completely realistic."

Infiniti joins other rival luxury marques from Mercedes-Benz to Cadillac who see China's newly rich buyers as a big source of future growth. Despite the overall market slump, China's luxury sales are still buoyant, surging 21 percent in the first quarter over a year earlier, according to JD Power & Associates.

Car makers are designing models that cater to Chinese tastes and shifting some production to the country as brisk economic growth mints scores of new millionaires.

"Chinese tastes are becoming more and more important," Ghosn said.

At the Beijing auto show in April, Infiniti said it would start manufacturing cars in China for the first time, with production of two vehicles starting in 2014.

Executive Vice President Andy Palmer said the vehicles would be all-new but would not disclose any other details. Ghosn said the company decided to move production to China to reduce risks from big swings in currency rates.

He also reaffirmed Infiniti's goal of raising sales to 500,000 vehicles by 2016, up from 145,000 in 2011 and expanding into 70 markets from 45.

This year the brand will be launched in Australia, Chile, Mexico, South Africa and Hong Kong, executives said.

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