GM To Build Third Factory Complex In China

The Associated Press

DETROIT (AP) — General Motors and its joint venture partners say they will build a third factory complex in China to keep pace with rising sales.

GM China, SAIC and Wuling Motors expect to start construction on the plant in the Chongqing municipality early in 2013, with the $1 billion first phase opening in 2015. Eventually the plant will be able to build 400,000 vehicles and engines per year, the company said in a statement Wednesday.

GM wouldn't say what models the factory will build or how large it will be.

The automaker already has factories in Liuzhou, Guangxi Zhuang Autonomous Region, and Qingdao, Shandong. The new factory will give GM factory bases in southern, northern and central China to serve the world's largest auto market. When the Chongqing factory is finished, GM and its joint ventures with the government will be able to build 2 million vehicles per year.

The joint venture has been the leading small commercial vehicle producer in China since 2006, and in 2009, it became the first manufacturer in China to sell 1 million vehicles in a calendar year, the company said in a statement.

GM and its joint ventures in China sold an October-record 251,812 vehicles. Sales are up 14.3 percent on an annual basis, as GM's major brands in China reached new highs for the month.

China's auto sales rebounded in October but Japanese brands suffered a sharp downturn amid a territorial dispute between Beijing and Tokyo. Sales rose 6.4 percent to 1.3 million vehicles, according to the government-sanctioned China Association of Automobile Manufacturers. That was a recovery from September's 0.3 percent contraction — the first monthly decline this year.

General Motors Co. shares rose 5 cents to $25.06 in morning trading. They have traded in a 52-week range of $18.72 to $27.68.

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