

# Even As Sales Rise, Ford Says New Plants Unlikely

Tom Krisher, AP Auto Writer

TRAVERSE CITY, Michigan (AP) — Even though U.S. auto sales are close to returning to pre-recession levels, don't expect to see a new Ford factory anytime soon.

Jim Tetreault, Ford's North American manufacturing chief, says his mandate is to squeeze more production out of existing plants to avoid the high cost of new bricks and mortar. Some plants are operating near capacity.

"We can always squeeze more. I have never said 'boss, we can't get another one out,'" Tetreault said Wednesday at the Center for Automotive Research Management Briefing Seminars near Traverse City, Michigan.

Ford and many other automakers are leery of adding plants because having too much factory capacity nearly drove them out of business in 2009.

In the past 15 months, Ford has added capacity to build 600,000 cars and trucks at its existing factories, hiring more than 8,000 workers. The company's U.S. sales have risen by more than a third in the past four years, from a low of 1.68 million in 2009 to more than 2.23 million last year. Year to date, sales are up 13 percent.

Total U.S. auto sales hit a low of 10.4 million four years ago, but are expected to rise as high as 15.8 million this year.

To meet growing sales, Ford has raised assembly line speeds at nearly all of its plants. All but two of 11 North American assembly plants are working on three shifts, once considered the maximum number. Some Ford plants have four shifts, Tetreault said.

But Ford is still running into problems making enough vehicles. The Fusion midsize car is selling so well that Ford is reopening a plant in Flat Rock, Michigan, near Detroit, to make more of them. And it's trying to figure out how to build more Escape small SUVs in a plant in Louisville, Kentucky, because dealers are running short of them.

"I would never say we're out of capacity. We're always going to keep working on it," Tetreault says.

Tetreault also says the company has three meetings a week to talk about production constraints. Managers identify bottlenecks and find ways to end them by buying new equipment, redesigning a part, raising assembly line speeds or even hiring more people.

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