Hyundai To Outdo Production Goal Despite Strikes

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SEOUL, South Korea (AP) -- Hyundai Motor Co. said Thursday it expects to manufacture 4.7 million vehicles this year, exceeding its target despite strikes that disrupted its South Korean production.

The company had aimed to make 4.66 million vehicles this year.

Kim yeung-tae, Hyundai's vice president, said higher production in China and Brazil offset its South Korean plants making fewer cars.

Hyundai has been reducing the proportion of vehicles it manufactures at home.

In 2008, 40 percent of the vehicles it sold globally were made in South Korea. Kim said the figure will be 25 percent this year.

Hyundai reported a 4 percent rise in its third-quarter net income to 2.3 trillion won ($2.2 billion) Thursday, moderately above analyst forecasts of 2.2 trillion won.

Sales climbed 6 percent to 20.8 trillion won for the July-September quarter while operating profit edged up 2 percent to 2 trillion won.

The maker of the Elantra and Genesis models suffered a drop in domestic output as Hyundai's 46,000 unionized workers in South Korea went on partial strike in August and September to increase pressure on management during the annual wage and benefit negotiations. They reached an agreement last month.

Increased overseas production will also help the company reduce the impact of foreign exchange fluctuations, Kim said. The South Korean won has strengthened against the U.S. dollar in recent months.

The trend to raise production overseas has coincided with the increased popularity of Toyota and other foreign auto brands in South Korea.

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