



Automotive News

GM to double Mexico production capacity, invest \$3.6 billion in plants

From staff and wire reports

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MEXICO CITY (Reuters) -- General Motors plans to invest \$3.6 billion in Mexico to double its production capacity at its plants around the country, officials said today.

Ernesto Hernandez, managing director for General Motors de Mexico, said GM is planning to make the investments through 2018 -- on top of \$1.4 billion already invested in the past two years.

"With this investment, General Motors will double its production capacity of vehicles, engines and transmissions," Mexican Economy Minister Ildefonso Guajardo said during an event here earlier today.

The investment will be directed toward expansion projects at GM's four manufacturing complexes in Mexico, the modernization of production lines, and technological advances in autos and auto parts, Hernandez said.

The four complexes are in the states of Coahuila, San Luis Potosi, Mexico and Guanajuato.

Thousands of jobs

The investment will also generate up to 5,600 jobs, Hernandez said.

"GM is a company that, even in the most complex global economic environment, has seen with clarity the efforts made by this government to put forward structural reforms that improve the overall business environment and make Mexico an attractive investment opportunity," Hernandez said in a statement.

GM says it employs about 15,000 people in its Mexico operations. Another 105,000 people work at plants that supply GM, which spends about \$14 billion a year on purchasing in the country.

The automaker produces an annual average of 890,000 motors in Mexico along with 1.2 million transmissions.

The company said it produces about 647,000 vehicles annually in Mexico -- 80 percent of which are exported.

Mexico expansion

Including Thursday's news, the total investment announced by the Mexican auto industry during the first two years of Pena Nieto's presidency is \$19 billion, Guajardo said.

Mexico is now the seventh-largest auto producer in the world, he said, up from the eighth largest in 2013.

From January to November of 2014, auto production in Mexico grew 8.7 percent from the same period in the previous year and exports rose 8.2 percent, according to data from the Mexican Automotive Industry

Association.

In the same 11-month period, GM's production in Mexico grew 5 percent while exports increased 5.6 percent.

Automotive News contributed to this report.



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