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BMW to expand U.S. operations

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REUTERS

FRANKFURT—BMW, the world's largest premium carmaker, is investing \$270 million to expand its U.S. operations, it said on Friday.

"These investments show that we are convinced of the continued long-term growth of the U.S. market despite the difficult economic conditions currently," BMW sales chief Ian Robertson said in a statement.

BMW sold 336,000 vehicles last year in the United States – the world's single largest luxury car market – an increase of 7.1 per cent and accounting for roughly 22 per cent of total group sales.

In order to better cope with the growing volumes and the resulting need for more spare parts, BMW will invest by the end of this year \$170 million in two new parts distribution centres in Pennsylvania and Illinois.

Once built the carmaker will have six such centres in the United States.

It is also spending \$100 million to expand its U.S. headquarters in Woodcliff Lake, New Jersey, where roughly 1,000 people will be employed in total.

BMW reaffirmed on Friday it is investing \$750 million to expand production capacity in its U.S. plant in Spartanburg, South Carolina., where it will eventually assemble its X3, X5 and X6 range of sports utility vehicles.

By 2012, the plant will be able to build 240,000 units as opposed to the current 160,000.

The depreciation in the dollar has forced more carmakers to consider local dollar-zone production. Domestic rival Volkswagen

is expected to decide in the coming weeks where to build a new assembly plant in order to naturally hedge its exposure to the dollar.

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