

Insiders scoff at Kia report

BY CHUCK WILLIAMS

Thursday, August 30, 2007

Reports of a possible delay in the opening of the new Kia Motors assembly plant in West Point, Ga., are being met with a shrug from local people familiar with the project.

"We have been hearing that forever, and it has never happened," said Hal Gibson, a consultant who is the state project executive.

The Atlanta Journal-Constitution reported Wednesday on ajc.com that the project would not be completed until the spring of 2010. The plant, which was announced last year, is scheduled to start production in the fall of 2009. The newspaper quotes analysts in Asia -- Kia and its parent company Hyundai Motors are headquartered in South Korea -- saying weak sales, overcapacity in Asia and inability to obtain financing could cause the company to slow work on the \$1.2 billion project.

If work is slowing, those on site are not seeing it.

"In fact, I talked with the Kia people earlier this week and they clearly indicated November 2009 was the mass production date," said Diethard Lindner, chairman of the Development Authority of LaGrange. "I know they have started pouring foundations, hired engineering -- which was a significant amount of money on their part."

Kia plans to employ 2,500 at the plant. At full production, it is expected to produce 300,000 vehicles a year. The company has not indicated which models will be built in West Point.

The state of Georgia, which along with Troup County and West Point offered Kia an incentive package that topped \$400 million, has completed \$45 million in site work on the Kia property five miles from the Georgia-Alabama state line.

Kia has begun putting in more than 5,000 pilings that have to be in place before the concrete foundation can be poured.

Kia also has a team of almost 50 employees working in West Point and LaGrange.

"We have been working very closely with them and they have never slowed down," Gibson said.

A year ago, there were reports and rumors the Kia project was in jeopardy when Hyundai Chairman Moon-Koo Chung was jailed on corruption charges.

Chung was in West Point last October when the company and Georgia Gov. Sonny Perdue held an official groundbreaking ceremony.

State officials have been in daily contact with Kia representatives. Those conversations have led the governor's office to feel confident about the project.

"Work on the plant's foundation has started, suppliers are coming to town, construction permits are secure and the Quick Start training facility is under way," Perdue's office stated in a release Wednesday. "The company has said it is aiming for completion in 2009, and every indication is that the first Georgia-made Kia will roll off the line on time, in 2009."

One of the largest suppliers, Hyundai Mobis, announced earlier this month it will build a 600-employee plant in West Point. Other suppliers are talking to communities in Georgia and Alabama.

"We have seen nothing that would give any indication there is any slowdown," said Mike Gaymon, president of the Greater Columbus Chamber of Commerce. "If anything, it would be the reverse. The suppliers are saying they are down to a short time fuse. They are saying decisions will come in the next 30 days, the next 45 days."

Lindner agreed.

"Suppliers are on the road to making decisions," he said. "They are under a time crunch to support Kia production."

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