

INTERNATIONAL
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Kia Motors says first US plant to open on schedule

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SEOUL, South Korea: Kia Motors Corp. plans to start up its first U.S. factory on schedule in the fourth quarter of 2009, a company executive said Thursday.

"It will not be delayed," Kim Deuk-ju, the company's finance chief, told The Associated Press. "Usually we have kept our promises. I think we can meet our initial target."

Kia spoke after a report in the Atlanta Journal-Constitution newspaper quoted industry observers as suggesting the factory could be delayed, citing reasons including weak sales and overcapacity.

Kim dismissed the article, saying those quoted "have their own estimate."

"So far we don't have any plan to review our schedule," Kim said. Construction has begun and is "on schedule," he added.

Kia, South Korea's second-largest automaker, announced in March last year it would set up its first U.S. plant in the southern state of Georgia.

It said at the time production would begin in 2009 and the US\$1.2 billion (€879 million) factory would employ 2,500 workers.

The plant is part of Kia's global expansion that includes a factory that opened in Slovakia.

Construction has begun on the factory in West Point, near the Alabama border. South Korea's Hyundai Motor Co., which owns a 38.6 percent stake in Kia, opened its first U.S. factory in Montgomery, Alabama in 2005.

The Kia facility is expected to produce 300,000 vehicles per year at maximum capacity.

Kia has also said that five to six auto suppliers are expected to set up near the factory, which it says would create an additional 2,000 jobs.

The automaker said last month net profit rose 36 percent in the second quarter on cost-cutting and strong domestic sales of its large-size Opirus sedan. Overall sales, however, fell 7.3 percent, the automaker said.

