



Ceremony for new Hyundai Czech plant



Officials from Hyundai Motor Co., Czech Republic and Korean governments including Hyundai vice chairman Chung Eui-sun (fourth from left) and Czech Industry Minister Vladmir Tosovsky (third from left) take part in the tape cutting ceremony at the carmaker's plant in Nosovice, Czech Republic yesterday. Hyundai Motor Co.

NOSOVICE, Czech Republic - Hyundai Motor Co. held a ceremony to mark the completion of its plant in Nosovice, Czech Republic yesterday.

The ceremony was attended by about 500 company and Czech government officials, including Hyundai vice chairman Chung Eui-sun and Czech Industry Minister Vladmir Tosovsky.

"The Czech plant will produce strategic European models of the highest quality," Chung said at the ceremony. He added that the company will

fulfill the obligations as part of the local community by offering stable employment and that the company will work in concert with its employees to establish the Czech plant as an exemplary automobile manufacturing facility.

"The plant will play an essential role in the company`s global production network."

Work on the plant began in April 2007 and the construction was completed late last year and the plant began producing vehicles in November.

So far, the company has put in 1 billion euros (\$1.47 billion) into the plant that currently has an annual capacity of 200,000 units.

A further 120 million euros will be put into the plant to raise its production capacity to 300,000 units by 2011.

According to Hyundai Motor Manufacturing Czech, HMMC, vice president Ahn Suk-jun, Kia Motors Corp.`s new multipurpose van Venga will be put into production at the Hyundai plant in November. The Kia vehicle will account for 10 percent of the Czech plant`s output.

Once the Venga goes into production at HMMC, the Czech plant will be Hyundai Kia Automotive Group`s first overseas facility that produces both Hyundai and Kia vehicles.

In addition, the Kia facility in Slovakia will begin producing Hyundai`s compact SUV ix35, or Tucson ix as it is known in Korea, next year allowing the two facilities to focus on different segments, Petr Vanek, Hyundai Motor Manufacturing Czech general manager for public relations said.

Including Kia`s new multipurpose van, the company has set the plant`s production target at 140,000 units for this year.

The company also said that it will begin producing Hyundai`s new compact multipurpose van, currently known by the project name JC, at the plant during the second half of next year.

The plant is equipped with the latest manufacturing facilities including

fully automated body assembly line and environmentally friendly painting facility, the company said.

The company added that various components, including the headlights and chassis of vehicles produced at the plant will undergo strenuous tests and that the vehicles will be tested on the test tracks within the plant before being delivered.

The plant's test tracks have a total length of 3.3 kilometers including straight stretches and those that simulate 10 different road conditions.

In addition, production facilities for modules and seats are located within the Czech plant, allowing the company to reduce the plant's daily logistics needs by about 200 truckloads when the plant is operating at full capacity, the company said.

Hyundai is also hoping to create a synergy effect with Kia's plant in Slovakia, which is located 85 kilometers away from Hyundai's Czech plant, by sharing key components - engine and transmission - produced at the two facilities.

Concerning Hyundai's overall plans, Chung said that the company is not considering plans to build additional overseas plants other than facilities in the plans for Brazil.

"By 2012, Korean and overseas facilities will be able to produce 6.5 million vehicles at full capacity so there doesn't appear to be need for immediate expansion," Chung said. He added that Hyundai and Kia's overseas plants will be used to produce each other's vehicles as necessary.

"We are still considering whether to launch a separate luxury brand. For now the company will focus on improving quality and brand image."

(cheesuk@heraldm.com)

By Choi He-suk Korea Herald correspondent

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