

Volkswagen to build a new engine plant in Mexico

On September 22, 2010, Volkswagen announced its plan to invest US\$ 550 million to build a new manufacturing plant for automotive engines utilizing the latest technology in fuel efficiency and performance. The new plant, which will employ the state-of-the-art technology in the automotive industry, will have a production capacity of 330 thousand engine units per year. It will be located in the State of Guanajuato in central Mexico, and create 700 direct jobs for young people, in addition to other 2,000 jobs that will be brought to the region indirectly. This investment will reinforce Mexico's vocation as a manufacturing base for export and its leadership in the global automotive industry.

During the official announcement of this investment, Mexico's President Felipe Calderon Hinojosa stressed that Mexico is now the 10th producer of automobiles and 4th producer of heavy vehicles in the world. From January to August this year, Mexico's automotive production and exports increased significantly by 73 and 76 percent, respectively. These numbers are record high in the history of the country's automotive production and export. Even during the global economic crisis, the government of Mexico actively supported this strategic industry through different types of stimulus programs.

With the objective to make the automotive industry competitive, Mexico promoted the integration of the North American automotive industry in order to reinforce the competitiveness of the region before other regions in the world by harmonizing its standards with Canada and the United States.