

Hyundai shifting production of SUV to Kia plant

Ledger-Enquirer

<http://www.ledger-enquirer.com/2010/08/31/1250636/hyundai-shifting-production-of.html>

Posted on Tue, Aug. 31, 2010

The Associated Press

LOS ANGELES

Hyundai Motor America said Tuesday it will shift manufacturing of its Santa Fe SUV beginning this fall from its plant in Alabama to one in Georgia run by Kia Motor Manufacturing, a move aimed at boosting production of Hyundai's popular Sonata sedan.

The automaker plans to increase production of the Sonata at the plant in Montgomery, Ala., said Hyundai Motor America spokesman Chris Hosford.

"We definitely wanted more production of Sonata at our plant in Alabama and the move allows us to do that," he said.

Hyundai Motor Co. and affiliate Kia Motors Corp. form the world's fifth-largest automotive group. Hyundai's sales rose 6 percent last month from June and 19 percent from July 2009 on strong sales of sedans such as the Sonata. The company has said demand for the model has been so strong, it hasn't been able to keep up.

Its plan to increase production of the Sonata comes at a time when the automaker faces a potential Sonata recall.

The U.S. government launched an investigation into possible steering problems in the 2011 model involving roughly 16,300 cars.

The National Highway Traffic Safety Administration said Tuesday it had received field reports alleging the separation of a joint that led to a complete loss of steering in the sedan or a loosening of a joint connection in the steering.

Hyundai has said there have been no injuries or crashes reported and the company is cooperating with the investigation.

Kia said production of the Santa Fe will begin next month at the plant in West Point, Ga., and ramp up on Oct. 1 with the addition of a second shift.

The plant will add roughly 700 employees, bringing the total to 1,900. Suppliers and other support companies in the area are also expected to add jobs.

Kia also builds its Sorrento SUV at the plant.

There will be no change in staffing at the Alabama plant.