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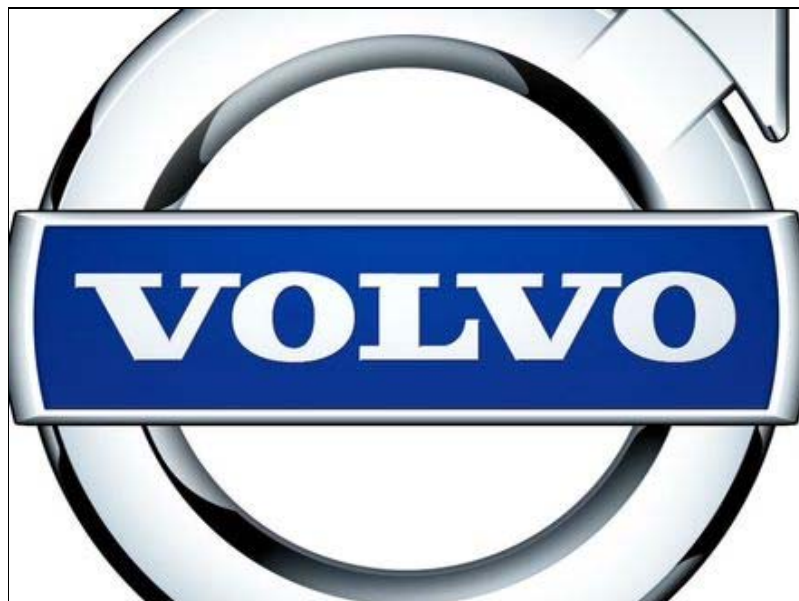
Georgia in hunt for Volvo factory

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Posted: 5:02 p.m. Monday, March 30, 2015



By [Greg Bluestein](#) and [J. Scott Trubey](#) - The Atlanta Journal-Constitution



Volvo is said to be zeroing in on three southeastern states for its new plant site.

Volvo is scouting sites to build a U.S. auto plant, and Georgia has made the short list, people with knowledge

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of the situation told The Atlanta Journal-Constitution.

A Volvo spokesman said Monday the company plans a new \$500 million factory where it will build models on its newest platform, which will be the basis of both cars and sport utility vehicles. He declined to say which states the company has looked at or how many are in the running.

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The number of jobs and the vehicles to be produced has yet to be determined, he said, and an announcement is expected within two months.

Auto factories are among the most coveted economic development projects for states because of the jobs they create and the potential for thousands more at suppliers – as witnessed by growth around Kia’s plant in West Point, Ga., which opened in 2009.

For months, Georgia leaders have made moves intended to woo more auto plants, such as bulking up certain state incentives and making a change in law to make it easier for state agencies to buy vehicles from companies with factories in Georgia.

The AJC reported March 4 that the state was angling for [both a Volvo factory and a Jaguar Land Rover plant](#). It now appears the Volvo plant has become the state’s prime target, as Jaguar Land Rover has reportedly put off its decision on a U.S. factory.

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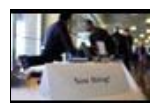
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Landing Volvo or any other automaker will likely require a bounty of incentives, including grants, tax credits, infrastructure improvements and job training assistance.

Bloomberg reported the factory could start producing vehicles in 2018 and that three unnamed states are being evaluated. South Carolina is among the others known to have heavily recruited the company.

“I think Georgia is a front runner,” said John Boyd, a veteran site consultant with The Boyd Company in Princeton, N.J., who is not involved in the search. He cited the southern migration of U.S. auto-making, Georgia’s low labor costs, its fast-growing ports and the world’s busiest airport in Hartsfield-Jackson International Airport.

Boyd said Georgia has made waves in recent years with its recruitment of factories by Caterpillar and Baxter International and the recent Mercedes-Benz U.S. headquarters win.

Georgia is preparing to deepen its Savannah port and the Brunswick port is where numerous auto companies import parts and vehicles. Mercedes cited Atlanta’s direct links to Germany as a key factor.

Companies have put greater emphasis on international air service to connect to their clients, vendors and home offices. Atlanta has always had an advantage, he said, but “now that advantage is huge.”

Volvo is based in Sweden but was acquired by Chinese automaker Zhejiang Geely Holding of China in 2010. It

previously was owned by Ford.

The Wall Street Journal reported that while there isn't a plan to share the plant with Geely, the U.S. factory could become a center for distributing Chinese vehicles to the U.S.

Volvo spokesman Jim Nichols called that speculation.

Volvo is said to be examining numerous Georgia sites, including land along the coast near the Savannah and Brunswick ports, as well as at least one site in the outskirts of metro Atlanta.

Modern auto plants tend to be located in exurban areas because land is inexpensive but they will be close enough to population centers to attract a talented workforce, Boyd said.

Kia has been very successful at its sprawling west Georgia factory, and I-16 between Savannah and Macon also has developed into an industrial corridor, he said.

The mid-year state budget approved by Gov. Nathan Deal included \$40 million for the state's "deal-closing funds," nearly double the previous year's spending plan. Lawmakers also struck a deal on the budget Monday that includes funding for a training center for manufacturing near Savannah.

In addition Deal has pushed legislation that would allow state agencies to buy vehicles made in Georgia without going through the competitive bid process. It's seen not only as a boon to Kia, but also any other carmaker considering Georgia.

Separately, the governor supports a plan to limit the independence of the little-known state Soil and Water Conservation Commission. It comes as the commission rewrites regulations to keep runoff from construction and manufacturing sites from polluting streams and rivers. Deal said “contradictory” environmental guidelines could lead to litigation and threaten major economic development deals.

Volvo Car Group

- Based in Sweden, owned by Zhejiang Geely Holding of China.
- Volvo sold more than 465,000 vehicles worldwide in 2014.
- U.S. sales were 56,000, down about 8 percent from 2013 and less than half the total in 2004.
- Volvo has auto plants in Sweden, Belgium and China, with engine factories in Sweden and China.
- Volvo has more than 25,000 employees worldwide.

Sources: Volvo Car Group and Bloomberg

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