

Nissan plans to expand production and overtake Chrysler as Mexico's top auto assembler. Nissan's long term strategy is to supply Central and South America from its Mexico-based operations and to expand its exports to the U.S. Nissan presently builds the Smyrna, Tennessee assembly plant with 6,000 1.5 litre engines a month and has introduced a new 2.4 l. engine for export to Japan. Nissan plans to build two plants in Aguascalientes, one for body stamping and the other for motor assembly. The plant will have an estimated capacity of 200,000 vehicles per year by 1994 or 1995. It is estimated to cost \$1 billion and will be concentrated in the production of a new Stanza class passenger car beginning in 1993.

Honda is currently only producing motorcycles in Guadalajara but is considering investing in auto assembly facilities. Mercedes Benz purchased most of the shares of Fábrica de Autotransportes Mexicanos (FAMSA) in 1991 and continued to manufacture trucks and buses with a different line. It will start assembling "kit" cars in Mexico (300/year) in order to gain access to the local market and serve as an export base for the rest of Latin America. Over the next 5 years, Mercedes will also invest more than \$146 million to increase truck production from 700 to 1500 a year and to produce 1500 buses.

TABLE 8
INVESTMENTS IN THE AUTOMOBILE INDUSTRY (1979-1990)
(millions of dollars)

COMPANY	INV.\$	LOCATION	PRODUCT	CAPACITY	YEAR
Ford	300	Chihuahua	4c motors	400,000	1983
	500	Hermosillo	cars	130,00	1984
	300	Hermosillo	cars	170,000	1990
	<u>700</u>	Chihuahua	motors	500,000	1991
	1,800				
Volkswagen	245	Puebla	radiators	250,000	1979
	60	Puebla	chassis		1979
	270	Puebla	4c.motors	300,000	1982
	<u>1,000</u>	Puebla	cars	200,000	1992
	1,575		engines		
General Motors	350	Ramos Arizpe	4c motors	400,000	1982
			cars	100,000	1982
Chrysler	135	Lago Alberto	4c motors	270,000	1982
	<u>80</u>	" increase		130,000	1984
	215				