GAC plans Michigan R&D center

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A Chinese carmaker that has plans to enter the US market next year will establish a presence in the state most synonymous with the American auto industry.  
Guangzhou Automobile Group Co Ltd, or GAC, received a $500,000 grant from the Michigan Strategic Fund in June to build a research-and-development (R&D) center in the Detroit suburb of Farmington Hills. GAC expects to create 62 jobs at the $4.45 million facility.  
Qiang Hong of the Center for Automotive Research said in an email that GAC's center comes after the company opened an R&D facility in California's Silicon Valley in 2017.  
"It's significant, as GAC finally acknowledges the importance and unique role a traditional automotive state like Michigan could play for foreign automakers aiming  to expand in the North American market," Hong said.  
The company is expanding its R&D operations to focus on vehicle integration and product development.  
GAC was founded in 1997 and is the fifth-largest automobile conglomerate in China. The company initially produced cars through joint ventures with foreign automakers. GAC's foreign partners in China include FCA, Honda, Mitsubishi, Nissan and Toyota.  
At the North American International Auto Show in Detroit last January, GAC said it would enter the American market sometime next year with the GS8, a midsize sport utility vehicle that's already on sale in China.  
The state-owned company also suggested it was scouting out sites for a planned North American headquarters.  
"An R&D center and/or eventually its North American headquarters in a winter state (like Michigan) could also help its global product development. The selection of (an) HQ will depend on a lot factors such as broad corporate strategies, key partners, where a manufacturing facility will be and government relations," said Hong.  
"It's a very dynamic environment for US-China auto investments, and I believe GAC will navigate with caution and make the right decision," he added.  
In China, GAC is making efforts to promote intelligent and internet-connected driving technologies.  
GAC partnered with Tencent last September and unveiled its iSPACE electric concept car equipped with Tencent's AI in-Car system, which it says allows drivers to better interact with their vehicles.  
After seven months, the company's subsidiary GAC Motor released its new Qiyun smart SUV last month, which is an upgraded version of the brand's best-selling GS4 SUV with multiple smart technology enhancements for a stay-connected mobile lifestyle.  
"The new GS4 marks the beginning of GAC Motor's new approach to facing the challenges, opportunities and competition in the era of technological revolution and industrial transformation," Yu Jun, president of GAC Motor, said in a news release.  
"In the future, we will work with leaders in digital technology including Tencent, iFlytek and AutoNavi, to bring about more breakthroughs in the field of smart driving."

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