

Goodyear to spend \$550 million on tire plant in Mexico

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Goodyear Tire & Rubber Co is planning to spend \$550 million on a new tire plant in Mexico, a person familiar with the matter said, the latest in a string of investment pledges in the country's booming auto sector.

The Goodyear plant, which will begin operations in 2017, will produce tires primarily for the domestic market, said the person, who declined to be named as the investment was not yet public. The company is expected to announce the investment at a joint event with the government on Friday in Mexico City, the person said. Goodyear spokesman Eduardo Arguelles declined to comment.

The investment comes shortly after automakers Toyota , Ford and Volkswagen unveiled major expansion plans in Mexico, taking advantage of Mexico's low wages, free trade agreements and proximity to the United States.

Last week, Toyota said it would spend \$1 billion on a passenger car plant, and Ford said it would spend \$2.5 billion on engine and transmission operations. German Volkswagen said last month it will invest about \$1 billion to expand its vehicle assembly plant in Mexico's Puebla state.

Source: Reuters