

## **Volvo to Build Flagship SUV at \$1.1 Billion South Carolina Plant**

**Bloomberg | Sep 25, 2017 By *Jamie Butters***

**In a step toward its “build where you sell” strategy, Volvo will build the XC90 sport utility in South Carolina. Volvo Cars plans to assemble the next generation of its flagship model, the XC90 sport utility vehicle, in the U.S. in a step toward its “build where you sell” strategy.**

**The plant Volvo is constructing near Charleston, South Carolina, will begin making Volvo’s top-selling U.S. model in 2021, the Gothenburg, Sweden-based automaker said. That will be in addition to the S60 sedan set to begin production when the factory opens next year.**

**Bringing output of the SUV to South Carolina from Sweden will roughly double planned factory employment to almost 4,000 and investment to \$1.1 billion.**

**Total capacity will grow to 150,000 vehicles a year, Volvo said.**

**“The United States is still the biggest single market for the XC90,” Lex Kerssemakers, Volvo’s head of European sales who ran its business in the Americas until Sept. 15, said in an interview. “It is absolutely a natural choice.”**

**A shortage of the XC90 earlier this year led to a drop in deliveries for the brand. In addition to serving the U.S. market,**

**a “considerable amount” of the SUV volume will be exported from the Port of Charleston once output begins, the carmaker said. S60 prototype assembly will begin later this year, Kerssemakers said.**

**As part of the company’s electrification strategy, the next-generation XC90 will consist entirely of mild hybrids, plug-in hybrids and fully electric versions. Last week, Daimler AG was the first European automaker to announce plans to make an electric vehicle in the U.S., but it isn’t clear when production will begin.**

**The Volvo brand has expanded dramatically around the world since Chinese billionaire Li Shufu’s Zhejiang Geely Holding Group Co. bought it from Ford Motor Co. in 2010, and Volvo aims to grow another 50 percent to 800,000 by 2020. Last week in Milan, it unveiled a compact SUV model, the XC40, and said it will be offered with a single monthly payment that covers the lease, insurance and maintenance costs.**