

The increasingly conspicuous slow-up in China auto sales isn't dampening suppliers' enthusiasm for heavy investment in the world's largest auto market.

Continental, for example, will hire 5,000 workers in China by the end of this year, adding to their present 16,000. And by 2014 Magna want to add eight new plants in China to their existing 20, contrasting sharply with their sole Chinese plant that existed in 2001. The polyvalent supplier expects their China sales to double from last year to about \$1.5bn in 2014. Industry executives and pundits think light-vehicle sales in China will reach 30 million by 2020, more than double the 14.5 million sold in 2011.



In other words, the Chinese market is on track to match the size of today's European and U.S. markets combined.

Chinese consumers are increasingly aware and desirous of the advanced technology and high build quality automakers are lavishing on autos sold in Europe and America including navigation systems, clean diesels and stop-start technology.

Denso are increasing R&D in China to meet surging demand; they're soon to spend €70m to open a larger technical centre in Shanghai in June 2013 and double the size of their Chinese engineering team to 500 people by 2016. The new tech centre will include a wind tunnel. The Japanese supplier is also field-testing some of their more advanced technology in China, where this past March they began trials of their vehicle-to-vehicle and vehicle-to-infrastructure wireless communication system.