

German tire and car parts maker Continental AG Wednesday opened a new research and development facility in Shanghai, aiming to further boost business through products and solutions customized for the Chinese market.

 Continental

The facility is in Yangpu District in northeast Shanghai, near the company's Asian headquarters. By early next year, 900 engineers will focus there on the design and development of vehicle electronics, according to Continental Asia President Jay Kunkel.

The new plant is part of Continental's €60m investment in China, which also includes a technical center in Jiading District responsible for vehicle development and system testing. Kunkel says the increased localisation will further Continental's strategy on the market for affordable cars across the world and facilitate coöperation with more Chinese car makers.

Kunkel also says Chinese car makers are very demanding with respect to new technologies as they have aggressive export plans and are racing to develop new-energy vehicles. The new technical centre will develop power electronics and hybrid control units for such vehicles. Continental estimate a minimum of 25 percent of their global sales will be achieved in Asia by 2013, of which more than half in China, Kunkel says.