

# Volvo and Geely

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# Geely--Volvo

## Outline:

- **Single Business for Two Companies**  
--Sheng Li
- **Strategic Alliance** --Lu Liu
- **Geely--Volvo Joint Venture** --Junjie Huang
- **Purposes of Joint Venture & Equity Stake** -- Jonathan Camack



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# Single Business



Sheng Li

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# Geely and Volvo's Strategic Alliance

- In 2010, China's Geely --Lu Liu Purchased Ford Motor Co's Volvo unit.
- Marking China's biggest acquisition of a foreign car maker and reflecting the nation's rapid rise in the auto world.



Lu Liu

#### Geely and Volvo's Strategic Alliance

--Lu Liu

- After acquisition by Geely, Volvo expects to invest \$10 to \$11 billion world-wide over the next five years to upgrade its products
- Designed to turn the Swedish car maker into a "true" global luxury brand, turn China into a major manufacturing base
- Volvo's strategy involves plans to build a new assembly plant in the city of Chengdu in China.
- Volvo is considering exporting cars from China to the rest of Asia and to North and South America

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# Joint Venture

--Junjie Huang

The venture has been constructing an assembly plant in Daqing in northeastern China's Heilongjiang province and an engine factory in Zhangjiakou in the northern province of Hebei which will supply Volvo's factory in the southwestern city of Chengdu. Volvo also plans to open a Research & Development center in Shanghai, which is not part of the joint venture.

## The Daqing plant

--Junjie Huang

The Daqing plant will turn out 80,000 vehicles a year like Volvo's Chengdu factory. The plant will produce sedans, new energy cars and SUV models as well as import parts to provide after-sales services for customers in the country.



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## The Zhangjiakou factory

--Junjie Huang

The Zhangjiakou factory is expected to open in the autumn to produce engines to supply the Chengdu plant. Volvo's first manufacturing plant in China that opened on Aug. 28.

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