

Chinese buys Volvo

It's official. The Chinese now owns the once proudly Swedish Volvo brand. Zhejiang Geely Holding Group Co. Ltd. ("Geely Holding Group"), one of the fastest-growing car manufacturers in China, yesterday (Monday, 2 August 2010) announced it has completed the acquisition of 100% of Volvo Car Corporation ("Volvo Cars") from Ford Motor Company.

 By [Henrie Geysler](#) 3 Aug 2010



Geely also announced that Stefan Jacoby, the chief executive of Volkswagen Group of America, would become president and chief executive officer of Volvo Cars.

No change to that 'special status'

A Geely spokesperson said: "This is a historic day for our group which is extremely proud to have acquired Volvo Cars. This famous Swedish premium brand will remain true to its core values of safety, quality, environmental care and modern Scandinavian design as it strengthens the existing European and North American markets and expands its presence in China and other emerging markets."

Jacoby said: "I am honoured to join a company with the prestige and growth potential of Volvo. Our employees, suppliers, dealers - and above all our customers - can be confident that Volvo will preserve its special status as the industry leader in vehicle safety and innovation - even as it pursues new market opportunities."

Business as usual

A spokesperson for Volvo South Africa said it would be business as usual at the local head office and dealer network. "We can reassure our Volvo owners and potential owners that they will not be affected by the sale."

As announced on the signing of the stock purchase agreement in March, Geely has agreed to pay US\$1.8 billion (about R13.14 billion) for Volvo Cars.

Under the new ownership, Volvo Cars will retain its headquarters and manufacturing presence in Sweden and Belgium; and its management will have the autonomy to execute on its business plan under the strategic direction of the board.

As part of the transaction, Volvo and Ford will maintain close component and supply relationships, ensuring continuity in areas where they provide supply to each other.

ABOUT HENRIE GEYSER

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