

Germany approves GM, Peugeot deal

German competition authorities have approved the proposed alliance between French carmaker PSA Peugeot Citroen and its US rival General Motors, which owns Germany's Opel.



PEUGEOT

"Although the strategic alliance results in a certain amount of market concentration, it does not lead to a dominant position of General Motors and Peugeot," said the head of the Bundeskartellamt or federal cartel office, Andreas Mundt.

"In most vehicle segments other manufacturers are selling more vehicles, both in Germany and in Europe. The competitors also often have stronger market positions vis a vis their suppliers," Mundt said.

The Bundeskartellamt announced in July it would probe the proposed tie-up and was particularly interested in what repercussions it would have for car parts suppliers.

In an alliance unveiled in February, the automotive giants said they would develop joint platforms and technologies and pool their purchasing activities in order to cut costs.

As part of the tie-up, GM agreed to transfer most of its logistics activities in Europe to Gefco, a wholly-owned subsidiary of PSA Peugeot Citroen.

The agreement, which comes into effect in 2013, will cover most of the logistics activities in Europe, including Russia, for Opel/Vauxhall, Chevrolet and Cadillac.

It includes services such as material and component deliveries to manufacturing plants, delivery of finished vehicles to dealerships and the transport of after-sales parts to distribution centres.

Source: *AFP* via I-Net Bridge