

Tata Motors to enter long-term partnership with VW, Skoda

Tata Motors has signed a Memorandum of Understanding (MoU) for a long-term partnership with Volkswagen Group and Skoda to explore strategic alliance opportunity for joint development of products.



The agreement has been signed by Guenter Butschek, CEO and MD of Tata Motors, Matthias Müller, CEO of Volkswagen AG and Bernhard Maier, CEO of Skoda Auto.

The document lays down the scope and objectives in order to reach agreement on the modalities and terms of a long-term cooperation in identified areas of partnership. Skoda Auto will take the lead on behalf of the Volkswagen Group to drive forward work towards the development of vehicle concepts in the economy segment.

Creating synergies

Announcing this strategic alliance opportunity, Butschek said, "We strongly believe that both the companies, by working together, can leverage each other's strengths to create synergies and develop smart innovative solutions for the Indian and overseas market. This is in alignment with Tata Motors' efforts to make itself 'FutuReady' by embracing new technologies, fostering higher platform efficiency and offering solutions that connect with the aspirations of our customers."

Added Müller: "Our aim with the envisaged strategic partnership with Tata Motors is to lay the foundations in the Group and the brands that will enable us to offer customer-oriented mobility solutions in the emerging, fast-growing automobile markets, as elsewhere. By offering the appropriate products, we intend to achieve sustainable and profitable growth in very different parts of the world. That is why we are systematically pursuing our regional growth strategy."

Post successful completion of definitive agreements, the two companies will start joint development work and joint value-chain activities. Based on this joint work, Tata Motors plans to launch products in the Indian market at the beginning of 2019.

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