

# Geely, Volvo to share research and development expenditures

Geely South Africa's parent company in the Zhejiang Geely Holding Group Co., Geely Automobile, and its Swedish sister company Volvo, will share research and development (R&D) expenditures.



Li Shufu, chairman of both companies, says joint R&D will improve both brands. Last month, Geely and Volvo jointly opened an R&D centre in Gothenburg, Sweden. According to Li \$11.5 billion will be spent on R&D until 2015.

Since the Volvo acquisition in 2010, Geely has been working behind the scenes with Volvo on strategic technologies, and will reap the benefit of Volvo's specific knowledge and experience in fields such as product platform, safety technology and new energy.

The Swedish automaker, which is expanding its export market into China, has joined hands with Geely to support its R&D efforts. Meanwhile, Geely plans to use Volvo's technology to upgrade its own model line-up.

"There is no doubt that joint investment in research and development will allow the two companies to share costs and improve their competitiveness," Li said at a recent auto industry forum in the central China city of Wuhan.

"This indicates how important a joint investment in R&D [with Geely] is," he added.



After the acquisitions of Volvo, London-based Manganese Bronze Holdings PLC and Australian Drivetrain Systems International (DSI), Geely has developed from a private enterprise of low-end cars into an international auto giant with more than ten car models.

Li said the rapid growth of Geely was no surprise, and provided Geely with the confidence to develop middle and high-end car models.

Models such as the LC and LC Cross as well as the Emgrand EC7, which was recently launched in South Africa, have attained five-star Chinese NCAP ratings in crash tests, while the EC7 has also achieved four stars in Euro-NCAP testing.

At the forum, Li said Volvo was making good progress to grow its market share in China. In the first nine months of this year, Volvo sold 43 380 cars in China - up 41% year-on-year.