

Fiat sells auto parts unit to Japan's Calsonic for 6.2 bn euros

October 22 2018



CEO of Fiat Chrysler Michael Manley, pictured (L) with new Ferrari Chairman John Elkann, said the deal will boost growth at Magneti Marelli

Fiat Chrysler said Monday it was selling its Italian auto parts unit Magneti Marelli to Japan's Calsonic Kansei (CK) in a deal worth 6.2

billion euros.

It said the merged company will rank in the top 10 auto parts suppliers globally with annual sales of 15.2 billion euros (\$17.6 billion).

There will be a multi-year supply agreement with Fiat Chrysler.

This agreement will underscore "the combined entity's commitment to maintain Magnetti Marelli's operations in Italy and sustain its industrial footprint and employment levels," a joint statement said.

The deal should be closed in the first half of 2019, it added.

CK is controlled by US investment house KKR.

Fiat Chrysler said earlier this year that it planned to hive off its auto parts unit.

Mike Manley, the new head of Fiat Chrysler, said the deal will boost growth at Magneti Marelli which will remain one of the group's most important business partners.

Unions welcomed the [deal](#).

"It is a great opportunity for growth," said Fim-Cisl's Marco Bentivogli.

"The guarantee on all current employment in our country is important," he added.

Magneti Marelli, founded in 1919, employs some 43,000 people and operates in 21 countries. Sales last year came to 8.2 billion euros.

Citation: Fiat sells auto parts unit to Japan's Calsonic for 6.2 bn euros (2018, October 22)
retrieved 30 June 2024 from <https://phys.org/news/2018-10-fiat-auto-japan-calsonic-bn.html>

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