

# China's BAIC takes 5% stake in Daimler: German carmaker

July 23 2019

---



Chinese carmakers now own nearly 15 percent of Daimler, the manufacturer of Mercedes-Benz vehicles

China's state-owned BAIC has taken a 5 percent stake in Daimler, whose top shareholder for the past year has been rival Chinese carmaker Geely, the luxury German automaker said Tuesday.

Daimler, which produces the luxury brand Mercedes-Benz, has long worked with BAIC in China and has previously said it was possible that BAIC could purchase a stake in its capital.

"We are very pleased that our long-standing partner BAIC is now a long-term investor in Daimler," chief executive Ola Kallenius said in a statement.

"This step reinforces our successful partnership and is a signal of trust in the strategy and future potential of our company," he added.

Daimler has long worked with Beijing Automotive Group Co. Ltd. (BAIC) in China and has previously said it was possible that BAIC could purchase a stake in its capital.

The two companies have been partners in the production of Daimler vehicles in China and Daimler owns a nearly 10 percent stake in BAIC Motor, a listed BAIC subsidiary.

However last year, the owner of Chinese carmaker Geely, Li Shufu unexpectedly bought a near-10-percent stake in Daimler, surprising executives at the German carmaker.

Geely owns Volvo Cars, the luxury Swedish carmaker which it has helped turn around to make record sales as it produces more SUVs.

The investment by BAIC puts it behind Geely, with 9.69 of Daimler's shares, and the Kuwaiti sovereign wealth fund at around 7 percent.

The Renault-Nissan carmaking alliance had previously been Daimler's third largest shareholder.

While Daimler announced last year together with BAIC that they plan to

invest 1.5 billion euros (\$1.68 billion) in an assembly plant for the next generation of Mercedes-Benz electric vehicles, the German [carmaker](#) has also moved forward on the electric front with Geely.

In March, Daimler and Geely unveiled plans to manufacture in China the next generation of electric Smart cars, a Daimler brand of subcompact vehicles.

© 2019 AFP

Citation: China's BAIC takes 5% stake in Daimler: German carmaker (2019, July 23) retrieved 9 April 2024 from <https://techxplore.com/news/2019-07-china-baic-stake-daimler-german.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--