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## Volkswagen set to Partner with Navistar

On Tuesday the 6th of September, Navistar International and Volkswagen agreed on a strategic alliance, working as a joint effort in development of powertrain, procurement and other collaborative efforts. Volkswagen stated that it would buy 16.6% at \$15.76 per share. The total investment by the German based company is said to reach upwards of \$256 million.

The alliance comes at a good time for Navistar. The joint procurement will not only save Navistar millions, but could sure up their supply chain and overall confidence moving forward. The partnership will put Navistar into Volkswagen's parts buying network, which includes Swedish manufacturer Scania the German-based commercial vehicle company MAN. The alliance will be mutually beneficial in that both corporations will have increased room to invest in new powertrain technologies and in-vehicle technologies such as advanced driver assistance systems, connected vehicle solutions, autonomous driving and electric vehicles.

Navistar's CEO Troy Clarke and Volkswagen CEO Andreas Renschler conducted a web cast focused on both corporations' potential for synergy and other business activities moving forward. "We are very pleased to partner with a global leader who shares our view of the world, in an alliance that will deliver multiple benefits and is consistent with our open-integration strategy," said Troy Clarke, President and CEO, Navistar. "Over the longer term, it is intended to expand the technology options we are able to offer our customers by leveraging the best of both companies and enabling Navistar to deliver enhanced uptime."

Navistar expects to save over \$500 million in the next 5 years, and Volkswagen will have the opportunity to appoint two Navistar directors. The alliance approval date is set for late 2016 to early 2017.

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