

BMW, PSA create hybrid technology joint venture



BMW and PSA/Peugeot-Citroen have formed a 50-50 joint venture to develop hybrid technology.

The move follows the signing of a memorandum of understanding signed in October to expand the existing hybrid cooperation between the two carmakers.

BMW Peugeot Citroen Electrification will focus on developing standard hybrid components for the electrification of both companies' vehicle ranges, the German premium carmaker said in a statement.

It added that the venture wants to create an open European platform for hybrid technology. It will outsource part of the development work and could sell hybrid components to other companies beside its two shareholders, BMW said.

Components covered by the joint venture include battery packs, E-machines, generators, power electronics and chargers. In addition, the new unit will develop software for hybrid systems and conduct joint research and development.

“Production and component purchasing will leverage significant economies of scale for both

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companies,” BMW said.

PSA CEO Philippe Varin said: “With this joint venture, we are sure to develop and expand our expertise and to build a European leader in the field of automotive hybrid innovation.”

The joint venture is expected to launch its operations in the second quarter of 2011. The new hybrid components will enter both partners’ vehicles from 2014.

Wolfgang Guellich, currently responsible for BMW’s group purchasing strategy, will be CEO of the joint venture. Jean Leflour, currently director customer satisfaction and quality planning at PSA, will become managing director.

The BMW Group and PSA Peugeot Citroën have jointly built more than 1.8 million engines since they started cooperating in 2006. In February 2010, the two companies agreed to develop the next generation of their jointly designed 4-cylinder petrol engine. The current model powers several Mini, Peugeot and Citroen models.

The successor engine will meet Euro 6 requirements, BMW said.