



VW, Tata end cooperation on small cars, new mobility

Volkswagen Group and Tata Motors ended efforts to forge a small-car and new mobility cooperation, five months after the two car groups started to explore ways to work together in India and other fast-growing markets.

The two companies "concluded that the envisioned areas of partnership may not yield the desired synergies as originally assessed," Tata said in a press release.

And Tata Motors CEO Guenter Butschek added: "We have concluded that the strategic benefits for both parties are below the threshold levels."

In March, VW and Tata agreed to cooperate on mobility services for developing countries. VW, which became the world's biggest automotive group by unit sales last year, has been looking for a way to strengthen its position in the fast-growing Indian market since it failed to agree with Suzuki on a cooperation pact in 2015.

Suzuki and its Indian partner Maruti hold a nearly 50 pc share of the Indian market.

The agreement with Tata, India's largest automotive group, was designed to give VW a bigger presence in new growth markets.

In addition to new mobility initiatives, VW and Tata also explored the possibility of jointly developing vehicle components and wanted to investigate whether they could together develop concepts for entire new vehicles.

The two carmakers said Thursday that they are open to exploring future cooperation areas.