

China Car Parts Makers May Step Up Purchases Abroad, Banker Says

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Chinese auto-parts makers will probably step up their pursuit of overseas assets and technology as the global economic slump creates buying opportunities, [Bank of America \(BAC\)](#) Merrill Lynch said.

Chinese companies seeking to boost exports will probably acquire assets at a faster pace than the global auto-parts industry, Patrick Steinemann, co-head of Asia industrials [Investment Banking](#), said in an interview in Chengdu, China, yesterday. Targets include German, Swedish and U.S. producers with values ranging from \$100 million to \$200 million, he said, declining to name anyone.

“This year is a year of opportunity because of the global slowdown,” Steinemann said. “If export volumes increase, you will see mergers and acquisitions increase.”

Chinese companies last year made 10 overseas acquisitions valued at a record \$1.8 billion in the auto-parts industry, according to data compiled by Bloomberg. The Chinese government has set aside about \$10.9 billion in subsidies to help Chinese auto-parts companies make overseas acquisitions through the end of the decade, Usha Haley, a researcher at Washington-based [Economic Policy Institute](#), wrote in January.

China’s Wanxiang Group signed an agreement last month to invest as much as \$465 million in [A123 Systems \(AONE\)](#) Inc., a U.S. maker of rechargeable automobile batteries.

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