

VW Ordered to Sell \$3.8 Billion Suzuki Stake as Tie-Up Ends

- ① Volkswagen AG will sell a Suzuki Motor Corp. stake valued at about 463 billion yen (\$3.8 billion) following a decision from arbitrators that ended a four-year dispute over a failed partnership.
- ② VW will sell its 19.9 percent holding after the arbitrators upheld the Japanese automaker's request to end the cooperation, the companies said in separate statements on Sunday. The value of the stake, which VW bought from Suzuki in 2010 for 222.5 billion yen, is based on Friday's closing price.
- ③ The end of the dispute provides Suzuki with the opportunity to find a new partner, after its cooperation with VW failed to result in a single joint project. The Japanese carmaker, which specializes in inexpensive cars, is pursuing a goal to boost annual revenue to 3.7 trillion yen by March 2020. It's small compared to VW and other global competitors.
- ④ "It's like taking out a tiny bone stuck in my throat," Chairman Osamu Suzuki, who brokered the deal in 2009, said at a press conference Sunday in Tokyo. "I feel refreshed."
- ⑤ The goal of the partnership was to cooperate on small, fuel-efficient cars for emerging economies, providing Suzuki with access to technology while giving VW a wider role in the Indian market through Suzuki's business there. Relations soured in 2011 after the Japanese company agreed to buy diesel engines from Fiat. As trust broke down, the companies accused each other of breaching the accord.

Sale Dispute

- ⑥ "After their irreconcilable quarreling, the separation was unavoidable," said Ferdinand Dudenhofer, director of the Center for Automotive Research at the University of Duisburg-Essen "Mr. Suzuki didn't want to be a VW employee, and that's understandable."
- ⑦ Even in winding down the relationship, the two companies were at odds. Suzuki said that VW has to sell the stake back to them or a party of the Japanese company's choosing, while VW said the buyer of the stake hasn't been decided yet. The German company, which has hired a bank for the sale, said it's still analyzing the ruling and will determine later to whom to sell the shares.
- ⑧ Suzuki also faces the prospect of having to pay damages after arbitrators ruled the Japanese company breached the agreement. The amount of any penalties would be addressed in a further stage of the arbitration proceedings, Suzuki said. The Hamamatsu-based company said it wouldn't amend profit forecasts as a result of the ruling.
- ⑨ Volkswagen said it expects a "positive effect" on earnings and liquidity from the sale of the shares. It will decide next steps after analyzing the ruling.
- ⑩ As it reviews its strategic options, Suzuki plans to remain independent. The one thing that's clear is that it won't be working with VW again. "You don't remarry someone who you've divorced," Osamu Suzuki said.【August 30, 2015 / Bloomberg Business】

① arbitrator: 仲裁者 (この記事では国際仲裁裁判所を指す) ② uphold: 支持する ⑤ fuel-efficient cars: 低燃費車
emerging economies: 新興経済国 sour: まずくなる ⑥ irreconcilable: 決着がつかない、妥協しない ⑦ wind down: 終わりに近づき、幕を閉じようとしている ⑨ liquidity: 流動性

★Ice breaker for active discussion★

1. What do you know about Suzuki Motors?
2. Why did Suzuki and Volkswagen form an alliance?
3. Mr. Suzuki said, "You don't remarry someone who you've divorced,"
What can you say about this statement?
4. What makes a business partnership successful?
5. Do you know anything about the recent VW scandal? Please share what you know.
6. Make sentences using the following words: stake, uphold, fuel-efficient, sour, Irreconcilable, liquidity and arbitration.

「アウディ」、「ベンツ」、「ポルシェ」等のブランドを持つ、欧州自動車最大手のVolkswagenと、静岡県浜松市本社の二輪車、四輪車、船外機、電動車いす等を主要製品とするスズキ自動車の提携が、ロンドン国際仲裁裁判所の判断を受けて、終了となった。スズキは、VWから環境技術の供与を期待し、一方VWは、インド市場に強いスズキを取り組み、3強争い(トヨタ、ゼネラル・モーターズ)から抜き出したいという思惑があったとされる。