

Fiat Chrysler an enticing takeover target for China



Detroit

Italian-American car maker Fiat Chrysler Automobiles would be an alluring takeover target for a Chinese company, instantly putting it at the top rung of the US auto industry, analysts say.

In July, a well-known but unnamed Chinese automaker made at least one offer to buy Fiat Chrysler at a price supposedly above its current market value, the industry news site Automotive News reported earlier this week.

Fiat Chrysler declined to answer questions but its share price jumped nearly 10 percent on the news.

According to Automotive News, the Italian-American auto giant rejected the Chinese company's advances, because the offer was too low.

With sales of its models ebbing in the United States, a Chinese acquisition could offer a lifeline to Fiat Chrysler, in particular for its Chrysler, Dodge and Fiat brands.

A sale also could provide the means for the company to boost its research and development.

"It won't be a merger. It will be an outright sale," said Joseph Phillippi, president of



Fiat Chrysler Automobile (FCA) workers as they exit from the Warren Truck Assembly Plant at the end of their shift in Warren, Michigan.

Auto Trends Consulting.

He notes that Fiat Chrysler produces the Jeep and Ram brands which not only are popular in the United States but also in China and elsewhere.

Chinese auto market

"FCA would get access to small cars that would be made in China but could really be something pretty nifty with FCA's design help."

Fiat Chrysler would not be the first major automaker to come under Chinese control or to look for ways to break into that huge market.

Sweden's Volvo was acquired by China's Geely in 2010 and has seen strong sales

growth since, with the Chinese market accounting for 20 percent.

US auto giant General Motors now sells more cars in China than in the United States, with 287,500 sold in China in July compared to 226,100 in the US market.

Before its 2009 sale to Fiat in a bankruptcy, Chrysler was one of the first US automakers to plant its flag in China at the start of the 1980s.

Fiat Chrysler sold 110,000 locally-built cars in China in the first half of the year, in particular thanks to rising sales of Jeeps built by a joint venture with GAC Group.

But it has since been overtaken by Ford and by GM,

which now imports Chinese-made Buicks into the United States.

Chinese automakers are no strangers to Detroit, the capital of the US auto industry.

Shanghai Automotive

Industry Corp, for example, a major Chinese producer and partner of GM, maintains a sizeable corporate presence in the Michigan city.

Chinese parts manufacturer YFS Automotive Systems,



Fiat cars on a sales lot in Miami, Florida.

which produces fuel tanks, has announced plans to build a plant in the area.

Ferrari precedent

FCA, which is controlled by Italy's Agnelli family, currently sells 4.5 million cars worldwide under its brands: Fiat, Chrysler, Jeep, Dodge, RAM, Alfa Romeo and Maserati.

FCA CEO Sergio Marchionne spun off Ferrari in 2015 and could do likewise with Alfa Romeo and Maserati.

So selling Fiat, Dodge, Chrysler, Jeep and Ram to a Chinese investor could fit in with that corporate strategy.

And Italian newspaper Corriere della Sera said recently the Chinese suitors "have already shown that they are not invaders (for now), and that they can respect the history, culture and human resources of the businesses they take over."

But President Donald Trump could potentially be an obstacle to any deal. He has angrily denounced the US-China trade imbalance and could seek to prevent a flagship US brand from coming under Chinese control. (AFP)

NASA satellite to help astronauts talk to Earth

NASA has launched the latest in a series of satellites aimed at ensuring astronauts at the International Space Station can communicate with Earth.

\$408 million

The \$408 million Boeing-made Tracking and Data Relay Satellite (TDRS-M) soared into space atop an Atlas V rocket that launched from Cape Canaveral, Florida at 8:29 am.

Until 2020
The satellite will "support critical space communication into the mid-2020s"

Space for talks

The satellite will facilitate space-to-ground communication for NASA's low-Earth orbit operations, "ensuring scientists, engineers and control room staff can readily access data for missions like the Hubble Space Telescope and the International Space Station."

13 satellites

TDRS-M is the last of 13 such satellites that have been launched since 1983. An antenna on the satellite was damaged last month at a processing facility in Titusville, Florida. The satellite was repaired, but the mishap set the launch back by about two weeks.



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