



LOCALIZATION OF PRODUCTION

AUTOMOTIVE INDUSTRY

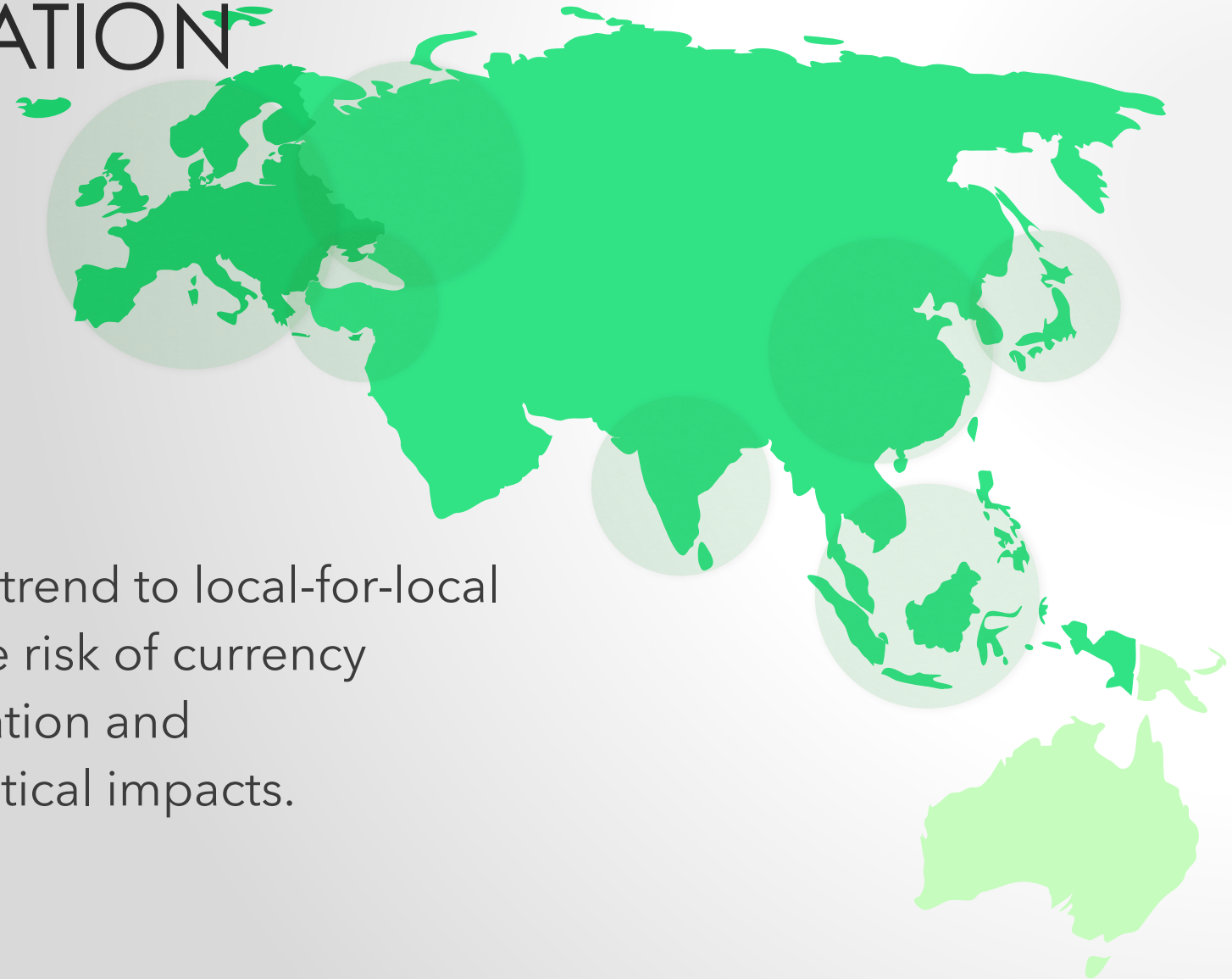
4th OSEG conference May 2016 Konya, Turkey

CONTENT

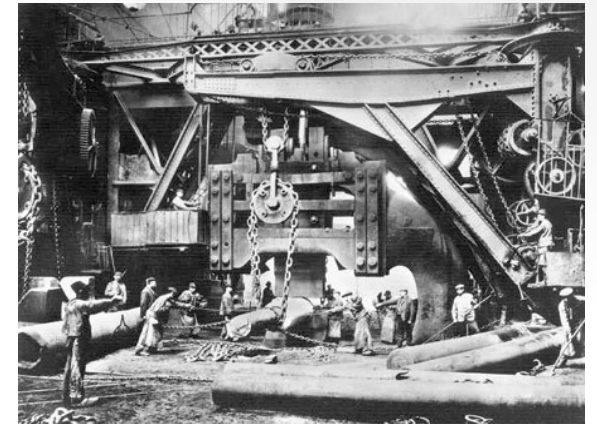
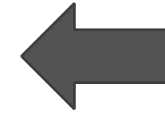
- Trends in automotive industry - Globalization & Localization
- Outsourcing and supply chain of OEM suppliers
- Experiences at localization in China and South Korea
- Requirements for production localization in Turkey

GLOBALIZATION

Automotive industry trend to local-for-local production to reduce risk of currency exchange, transportation and environmental & political impacts.



HISTORICAL SUPPLY CHAIN



Car manufacturers used to produce components and had own tools shops.

Purchasing just of standard parts, like screws, and raw material. Outsourcing 5 -10%

CURRENT SUPPLY CHAIN



Car manufacturers focus on core competences, manufacturing and engineering,
Purchasing of components, tools & moulds, machines and equipment Outsourcing > 65 %

LOCALIZATION

Whilst South-Korea already has a well-developed supply chain and experienced suppliers,

China pulls technology and know-how from JV partners and purchasing of companies.



REQUIREMENTS

Technology	Documentation	Know-How
Experienced suppliers	Multi-lingual specification	Technical Universities
Machines & equipment	International norms	Language skills
Equivalent materials	Quality standards	Intercultural aspects
Tools & moulds		

THANK YOU

Frank Berberich

Managing Director, BWC INT LTD

www.bwc-international.com

frank.berberich@bwc-international.com

Tel. +49 6021 9205 765