GM Network Unifies Purchasing of Selected Commodities

Tokyo, Japan - General Motors Corporation, Fuji Heavy Industries Limited (FHI), Isuzu Motors Limited and Suzuki Motor Corporation have unified their purchasing organizations for selected parts, components and services.

The four automakers have created the Alliance Purchasing Team (APT). The Tokyo-based organization consists of representatives from all four companies.

It will initially source a total of 12 products, including glass, generators, starters, flat steel, precious metals, substrates, speakers, antennas, electrical relays, horns, steel & aluminum wheels and water hoses with a total value of approximately $1.4 billion.

Commodities sourced by the APT will supply the Japanese operations of FHI, Isuzu and Suzuki, as well as selected Asia Pacific operations of General Motors. The potential volume is 2 million vehicles.

The APT, which has commenced operation, is using GM's Worldwide Purchasing process. Suppliers are selected on the basis of quality, service, technology and price. While the APT has responsibility for choosing suppliers, ongoing management of commodities remains the responsibility of the individual automakers.

Additional commodities are expected to be sourced by the APT in the future. In addition, the engineering teams of all four companies will explore opportunities for commonizing parts where it makes business sense.

"This is another great example of the GM Group in action," said Frederick A. Henderson, GM Group Vice President and President of GM Asia Pacific. "By combining our resources in the area of purchasing, we can achieve tremendous savings and in the process increase the competitiveness of GM and our partners. At the same time, we can increase the opportunities for suppliers by enabling them to source several companies at once."

GM has a 20 percent stake in Suzuki, a 20 percent stake in FHI and a 48.45 percent stake in Isuzu. The four companies have launched a series of cooperative projects in Japan and around the world.

# # #