

Kamaz Corporation is one of the largest automobile corporations in Russia with, at the time, 59 000 employees. It operates an integrated production complex that incorporates the whole technological cycle of truck production, from the development, production of components and assembly of vehicles, to the marketing of vehicles and after-sales services. *Kamaz* produces a wide range of trucks, trailers, buses, tractors, engines, power units and a variety of machine tools, and operates the largest automotive distribution and service network in Russia and neighbouring countries. For *Kamaz*, the primary objective for establishing the JV was to access the advanced technologies of *ZF* and to ensure the supply of high-quality car components. Hence the primary criterion for the choice of JV partner was the possession of product technology. Moreover, a track record of sincere cooperation initiatives and a willingness to share risks were also important arguments for partnering with *ZF*.

ZF Kama was founded in 2005 to manufacture commercial vehicle transmissions, the first production facility established by *Kamaz* with a foreign partner. The JV is located within the industrial site of *Kamaz* in the city of Naberezhnye Chelny, in Tatarstan. *ZF* holds 51% of the equity of the JV, while *Kamaz* holds the remaining 49%. Both partners actively participate in the management of the JV, and they both have representatives in the management team. *Kamaz*, is responsible for day-to-day

operations of the JV and manages key business relationships with customers, suppliers and government authorities. *ZF* contributes primarily through product technology and expertise.

In 2014, *ZF Kama* invested €90 million to build a new production plant in Naberezhnye Chelny to manufacture transmission gearboxes and their parts. The main customer of the JV is *Kamaz*, but the JV also supplies truck transmissions to *ZF* plants in Friedrichshafen (Germany), Bouthéon (France) and Eger (Hungary).

After the JV with *ZF*, *Kamaz* has built a range of JVs with other Western partners in the automotive industry, including suppliers *Cummins* and *Federal Mogul* (both from the USA) and *Knorr Bremse* (Germany), agricultural machines with *Case New Holland* (part of the Italian *Fiat Group*), and construction cranes with *Palfinger* (Austria). The jewel in its portfolio of partnerships is a truck distribution and assembly JV, *Mercedes-Benz Trucks Vostok* with *Daimler* (Germany), which also acquired 11% of the equity of *Kamaz*.

Source: Originally prepared by Irina Mihailova (Aalto University) based on interviews with the companies, and updated by Klaus Meyer. Additional sources: (1) RT, 2009, Daimler announces joint ventures with Kamaz, December 21; (2) ZF Kama, 2012, YouTube Video (www.youtube.com/watch?v=cpi8QM8zPzw); (3) www.zf.com; (4) www.daimler.com; (5) www.palfinger.com; (6) www.kamaz.ru.

