

# GRUPE RENAULT

## Dacia provides 800 million euro turnover to Arges County suppliers

The contracts with the Dacia car manufacturing plant of Mioveni (northwest of Bucharest) provide an annual turnover of 800 million euros to the suppliers in Arges County, a sum equivalent to 40 percent of the carmaker's total purchases budget.

*"When it comes to Arges County, there are 150 providers of various services, with a turnover of 200 million euros from contracts with Dacia. There are also approximately 40 suppliers of parts, which earn 600 million euros from deliveries to Dacia. Thus, the total turnover of the suppliers located in Arges County is around 800 million euros; I mean the business volume with Dacia", Renault Group Romania Purchasing Manager Antoine Aoun told AGERPRES.*

According to data of the carmaker's specialized department, some 2,000 suppliers deliver to the car assembly plant, to the engine factory and to the other sectors on the Mioveni platform.

*"The rest of them are suppliers of parts integrated into the motor vehicles, the engines, and the transmissions", Aoun explained.*

The overall annual budget of Dacia's Purchasing Division amounts to approximately 2 billion euros. Besides the 800 million euros going to contracts with the suppliers in Arges, the money goes to suppliers from other regions of Romania and abroad.

In Romania, Dacia also has suppliers in Timisoara and Arad (west), Deva, Cluj, Sibiu and Brasov (center), Bihor and Satu Mare (northwest), Ploiesti and Titu (south), and Galati (southeast). Other parts and components are delivered from abroad, for instance from Turkey, Poland, and France.

The supplier network's development also resulted in the creation of many jobs; the Association of Automotive Manufacturers of Romania (ACAROM) estimated their number at 130,000.

*"In Arges County, the suppliers' 800 million euros turnover with Dacia has created an estimate number of 10,000 jobs", Aoun asserted.*

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The location of working stations as close as possible to the Mioveni factory is an important factor in the supplier selection.

*'We apply the same rules for choosing our suppliers as those at RNPO [Renault-Nissan Purchasing Organization] level; they are based on competitiveness, in other words on the best offer, on the quality of products, on the suppliers' financial soundness, and obviously on their location. In our case, that means in Romania, and the closest possible to the factory", the Renault Group Romania purchasing manager declared.*

According to this positional strategy, the largest suppliers of Dacia are located in Arges. Some of them operate right on Dacia's industrial platform; others are near the factory in Mioveni.

The suppliers in Arges County provide car seats, plastic components such as the dashboards and shields, textiles like the upholstery and carpets, air conditioning systems, sections of the electric and safety system, wiring, metal sheets and pipes.

<http://dev.gruprenault.ro/en/media/news/2017/dacia-provides-800-million-euro-turnover-arges-county-suppliers>

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"Johnson Controls, our seat supplier, is one of the largest in terms of turnover. (...) The Euro APS Company is located right here; it also has a significant business volume. They deliver all our plastic parts like the front and rear shields and the dashboards. There's also Leoni, another major supplier established in Arges, with a very high turnover; they provide everything in terms of wiring. GIC Nosag, the producers of all the metal parts and some plastic components, are also among the big suppliers; so is TRW", Aoun mentioned.

He added that yet another important seat supplier is a Turkish company that has already purchased a land property in Mioveni, where it is going to build a plant. Moreover, Dacia's Purchasing Division keeps looking for new partners with production premises in Arges County. The factory needs more suppliers of plastic materials, foundry parts, electrical and electromechanical components, aluminium items, and steering columns.

"We wish to identify new suppliers as soon as possible, especially as we have very important production volumes, both in terms of cars, engines, and transmissions. We want opportune locations both for the suppliers and for ourselves", the Renault official said.

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One of the most important suppliers of the Dacia factory in Mioveni is Johnson Controls, a multi-industrial international company specializing, among other fields, in the production of automotive parts; it is a world leader in the production of car seats and seat components.

'Dacia is a highly important customer for Johnson Controls, with many operations in Romania. Our collaboration with Dacia started upon its takeover by Renault Group. Ever since, we have supported Dacia's success story. We have been an active partner for them, by implementing our experience in the development, production and delivery of car seats, offering the highest comfort and safety standards for the end users. The cooperation between Johnson Controls and Dacia was mutually beneficial in terms of conquering and increasing the market share", Razvan Budica, manager of the Johnson Controls factory in Mioveni told AGERPRES.

According to him, Johnson Controls started operating in Romania in 2000, and its first project included the production of seats for the Dacia Solenza model in 2003. In 2004, Dacia launched Logan, also equipped with seats supplied by Johnson Controls.

"Since then we have contributed to the success of Dacia Sandero, Dacia Logan MCV, Dacia Logan Pick-up, Dacia Logan Van, Dacia Duster, and since 2012 and 2013 to the success of the new Logan, Sandero, MCV and Duster models. We have four factories in Pitesti [Arges County seat] and its surroundings, which makes us one of the largest employers in the area. All our factories work both for Dacia and for other customers. We produce there metal structures for seats, seat cushions, and seat upholstery", Budica mentioned.

For the Dacia factory in Mioveni, Johnson Controls assembles and delivers complete sets of seats. Its business volume has increased in parallel with the production of cars; thus, it delivered approximately 345,000 complete sets of seats to Dacia in 2013.

'Dacia and Johnson Controls have built a mutually beneficial partnership. Our clients' success is our own success,' Budica concluded. AGERPRES

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<http://www.agerpres.ro/engleza-destinatie-romania/2014/03/27/destination-romania-dacia-provides-800-million-euro-turnover-to-arges-county-suppliers-15-23-00>

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