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Commercial vehicle steel pistons for China: Rheinmetall Automotive agrees on strategic cooperation

In its Automotive sector, the Technology Group Rheinmetall is steadily broadening its access to China's expanding commercial vehicle market. As part of this strategy, KS Kolbenschmidt GmbH, Neckarsulm, Germany, a part of Rheinmetall Automotive AG, has now signed a license agreement with the Chinese automotive industry supplier ZYNP Corporation, Mengzhou. The agreement covers the production and marketing of commercial vehicle steel pistons for the Chinese market.

Under the agreement, ZYNP, the leader in the Chinese market for cylinder liners, will also manufacture and market in China steel pistons under the brand name KS Kolbenschmidt. Customer specific development of the respective piston models will be solely in the hands of KS Kolbenschmidt.

Among the considerations behind this move are the ever tighter emission standards on the world's biggest commercial vehicle market. In this respect, the key market driver for the commercial vehicle sector in China will be the emission standard (level of Euro 6) to become effective in January 2020. This will require engines to be designed according to state-of-the-art technology. In addition, the further reduction in gross vehicle weight to a maximum of 48 tonnes will also help fuel market momentum in China.

With this forward-thinking cooperation, Kolbenschmidt is bolstering its global position in the market for modern steel pistons. The license agreement also envisages deeper strategic cooperation.

In order to set up the national production base, the Chinese licensee will acquire from KS Kolbenschmidt completely new state-of-the-art steel piston production lines. The facilities will be set up at a newly founded ZYNP production plant in Mengzhou (Henan province). The investment for the new plant and its equipment will be a sizable double-digit million euro amount.

ZYNP produces exclusively in China and, with a cylinder liner world market share of 16 percent, is one of the internationally most important suppliers to manufacturers of automotive, commercial vehicle, ship and industrial engines. In this segment, the annual output of this Chinese market leader exceeds 60 million units. ZYNP has sales locations in the USA, Europe, and Russia. Founded in 1958, it employs a workforce of 11,000 and generates annual sales of around €570 million.