

Daimler to produce three engines in Iranian Diesel Engine Manufacturing Company

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Memorandum of co-operation signed.

Daimler has signed a memorandum of co-operation with Iran Khodro Industrial Group (IKCO) to produce three diesel engines with the Iranian Diesel Engine Manufacturing Company (IDEM), according to a company press release. The diesel engines to be produced in IDEM are: 400 series, 900 series meeting Euro IV and V standards for heavy and semi-heavy vehicles, and CNG 900 series meeting Euro VI standards. According to the memorandum of co-operation, Daimler will own 30% of IDEM shares, based on which an extended co-operation in manufacturing new products and updating the used technology will be guaranteed.



Significance: IDEM was established in 1969 and was first put into production in 1972 with the joint investment of Iran (70%) and Daimler (30%) for manufacturing light, semi-heavy, and heavy diesel Benz engines in Tabriz. Earlier this month, Daimler Trucks signed a letter of intent with local partners in Iran including Iran Khodro Diesel and Mammut Group, as it plans to re-enter the Iranian market. Prior to the economic sanctions that were imposed as a result of the Iranian government's nuclear programme, Daimler had been an active participant in the Iranian automotive industry, forming its first partnership with IKCO in 1969. Meanwhile, despite the end of the United Nations sanctions, the Iranian automotive sector is expected to show modest growth because of several other factors that may have an impact on the market's performance and may help or hinder the entry of foreign original equipment manufacturers as well as the revival of local automakers in the market

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