



June 27, 2018

Milestone in Africa: Volkswagen launches local assembly and Car sharing in Rwanda

- Africa's first Integrated Mobility Solution
- New facility incorporates sales and service retail outlet, vehicle assembly, training center and mobility company
- Local assembly of up to 5,000 vehicles per year
- Car sharing started, ride hailing and other services to follow
- Brand creating up to 1,000 new skilled jobs
- Long-term goal: leading role in the emerging automotive industry in Africa

Kigali / Wolfsburg – The Volkswagen brand is expanding its engagement in Africa: today saw the start of its Integrated Mobility Solution in Rwanda that includes local vehicle assembly, innovative mobility services and a sales and service retail outlet CFAO Volkswagen Rwanda. Thomas Schäfer, CEO of Volkswagen Group South Africa and responsible for the Sub-Sahara region, officially launched the project in the capital Kigali in the presence of Rwanda's President Paul Kagame. Volkswagen is thus taking the next step toward developing new up-and-coming markets. In a long-term perspective, the brand intends to play a leading role in the emerging automotive industry in Africa. With this engagement, Volkswagen is making a substantial contribution to Africa's economic development.



Paul Kagame, Thomas Schäfer and Michaella Rugwizangoga, CEO Volkswagen Mobility Solutions Rwanda with the first VW „made in Rwanda“

Thomas Schäfer said: "Rwanda has great potential. The country is young, modern and hungry for individual mobility. With a package specifically tailored to the region comprising local vehicle production, new vehicle business and innovative mobility services, we intend to harness the opportunities for growth and create new opportunities.

Rwanda can become a blueprint for other African and emerging market countries."

Press contact

Volkswagen Group South Africa
Matt Gennrich
Head of Communications
Tel: +27-11-911-2789
gennrich@vwsa.co.za

Volkswagen Communications
Andreas Groß
Corporate Communications
Tel: +49 5361 9-89043
andreas.gross1@volkswagen.de



More at
volkswagen-media-services.com



Paul Kagame, President of the Republic of Rwanda, said: "Africa does not need to be a dumping ground for second hand cars, or second hand anything. In the long run, you end up paying a higher price anyway. If you can pay a high price for second hand, why not pay a high price for something new? It is a simple choice. Africans, Rwandans, we deserve better. This is one way of showing how we can afford it. For these and other reasons, this promising partnership with Volkswagen is off to a good start."

Dr. Gerd Müller, German Federal Minister for Economic Cooperation and Development, said: "Volkswagen's new project in Rwanda is the kind of activity we would like to see copied by other German companies. We want many more of them to launch new business ventures in Africa. Volkswagen has brought good ideas and a generous dose of pioneering spirit to this project and together with its German and Rwandan partners is developing a viable mobility concept for the future for Rwanda. We are pleased to support this project through Germany's development cooperation. These companies are making a direct contribution towards sustainable economic development – and that is totally in keeping with the idea of our Marshall Plan with Africa. The only way for people in Rwanda and in other places to have an attractive future in their own countries is if they can be offered high-quality training and good jobs where they are."

Local assembly of up to 5,000 vehicles per year

At the center of the project are app-based car sharing and ride hailing offerings that take individual mobility to a broader share of the population. The project kicks off with community car sharing primarily aimed at companies in the capital Kigali. A ride hailing service will follow later this year. Further mobility services are planned for 2019. Rwanda is the ideal market for new mobility solutions because the people there are very digitally-minded and tech-savvy. Moreover, demand for mobility is growing and the present offerings can scarcely keep pace with these needs.

On the production side, local assembly of the latest-generation Polo and Passat will now commence with other models planned for the future. Initially it is planned to build up to 1,000 vehicles per year depending on demand and the success of the mobility fleet, with an annual production capacity of up to 5,000 units. Assembly is flexibly designed and can be expanded further if required. The sales and service retail outlet CFAO Volkswagen Rwanda is part of the same complex and guarantees comprehensive customer service. Volkswagen will spend some US \$20 million in Rwanda for phase one.



Sub-Saharan strategy: presence in the growth markets of the future

Volkswagen is also driving its Sub-Saharan strategy further forward with the start of production operations and market activities in Rwanda. The brand will be significantly expanding its engagement in Africa and its long-term goal is to play a leading role in the emerging automotive industry in Africa. To that end, the brand will be establishing several pillars in the region and pursuing rapid and flexible expansion over the coming years. That will lay the foundation for participating in the region's future growth. In addition to Rwanda, Volkswagen is already active in South Africa, Nigeria, Kenya and Algeria. Further locations are already being planned.

Under its TRANSFORM 2025+ brand strategy, Volkswagen is strengthening the regions and focusing on new up-and-coming markets. Alongside North and South America as well as China, the Sub-Saharan region plays an increasingly important role. Although the African automotive market is comparatively small today, the region could develop into an automotive growth market of the future.

Thomas Schäfer commented: "Volkswagen is one of the pioneers in Africa. Over 60 years ago, Volkswagen established its first plant outside of Germany in South Africa and now we are the first in the Sub-Saharan region. Obviously there are some challenges, but there are great opportunities as well. By starting out with several, smaller operations we can learn and respond flexibly to developments. At Volkswagen, we believe in Africa."

Contribution to Africa's economic development

Volkswagen is not only seeking commercial success in Rwanda, but also intends to make a sustainable contribution to economic development in the region. Among other things, the brand is creating up to 1,000 new skilled jobs and setting up a qualification and training center together with other German companies. Employees working in the assembly operation have been trained by qualified Volkswagen instructors in Kenya and are ready to commence with production. Drivers for the mobility services will shortly be recruited and trained by Volkswagen and specialists in this field. Furthermore, Volkswagen collaborates with local partners and suppliers wherever possible. The app for the digital mobility services was developed by a startup based in Kigali.

As Thomas Schäfer explained: "Rwanda and Africa are much more than just another market for us. We see ourselves as part of African society and



want to be a good, reliable partner for people here – as at all of the Volkswagen Groups 122 locations worldwide.”

About the Volkswagen brand: “We make the future real”

The Volkswagen Passenger Cars brand is present in more than 150 markets throughout the world and produces vehicles at over 50 locations in 14 countries. In 2017, Volkswagen delivered 6.23 million vehicles including bestselling models such as the Golf, Tiguan, Jetta or Passat. Currently, 198,000 people work for Volkswagen across the globe. The brand also has over 7,700 dealerships with 74,000 employees. Volkswagen is forging ahead consistently with the further development of automobile production. E-mobility, smart mobility and the digital transformation of the brand are the key strategic topics for the future.
