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New market potentials in Africa – Volkswagen founds company for mobility solutions in Rwanda

- Modern car sharing services to start as early as spring 2018
- Local production of up to 5,000 Volkswagens per year planned for medium term
- Financial engagement of approx. US\$20 million (approx. €16 million)

Kigali / Wolfsburg – Volkswagen is taking the next step to develop the African sub-continent: as planned, the brand has founded “Volkswagen Mobility Solutions Rwanda”, a company based in Rwanda. The objective is to provide modern integrated mobility services in Africa in future. As part of its worldwide regionalization strategy, Volkswagen is planning to expand its business presence significantly in Sub-Saharan Africa. Agreements to that effect were signed in Kigali just over a year ago in the presence of Rwanda’s President Paul Kagame and Dr. Herbert Diess, CEO of the Volkswagen brand.



Volkswagen founds company for mobility solutions in Rwanda: Thomas Schäfer, CEO of the Volkswagen Group South Africa, and Claire Akamanzi, CEO of the Rwanda Development Board, at today’s press briefing in Kigali

Going forward, the brand will be focusing in particular on new app-based mobility services such as car sharing and ride hailing in Rwanda. This year sees the launch of a car sharing service in the capital city of Kigali with around 150 vehicles from the Volkswagen brand. In addition, a ride hailing service with some 150 vehicles is scheduled to start during the course of the year. These figures are derived from expected market acceptance of these innovative mobility services that are

completely new to Rwanda. Further services of this kind are planned for the coming months.

The vehicle fleet required for the planned mobility solutions is to be taken entirely from local production. For this purpose, an environmentally-compatible local vehicle assembly facility is to be established in the capital Kigali. Volkswagen and CFAO, a long-standing partner in Africa for the distribution and assembly of vehicles, signed a letter of intent to this

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effect. Production will start with several hundred vehicles in mid-2018, and capacity will gradually be expanded to up to 5,000 vehicles per year. It is planned to initially build the Volkswagen Polo and Passat models.

Furthermore, a local start-up is developing the programming for the mobility app. Overall, Volkswagen and its partner companies will create up to 1,000 jobs in Rwanda. The financial engagement amounts to approx. US\$20 million (approx. €16 million).

"Rwanda is a young, modern and digital country – so it is ideally suited to new connected mobility services. I am convinced our customers will respond positively to the envisaged business ideas. In a second step, we hope to put the valuable experience gained with ride hailing here in Rwanda to use in other markets where the Volkswagen brand has a presence," said Thomas Schäfer, Chairman and Managing Director of Volkswagen Group South Africa and responsible for the Sub-Saharan region comprising 49 countries with a total population of some 920 million.

Volkswagen's commitment to Rwanda also includes the training of local people. The possibility of cooperation for the establishment of a technical academy is being investigated together with other German companies. In the long term, the objective is to generate employment, know-how transfer and sustainable growth.

With the integrated mobility concept, Volkswagen intends to provide a new impetus for the development of individual mobility. Rwanda does not currently have an established vehicle industry. The population has an average age of less than 20 years and Rwandans are among the early adopters of new technologies.

In addition to Rwanda, the Volkswagen brand is also active at three other locations in the Sub-Saharan region: the company has been manufacturing vehicles in South Africa since 1951. Vehicle assembly began in Nigeria in 2015, and in Kenya in December 2016.

About the Volkswagen brand: We make the future real.

The Volkswagen Passenger Cars brand is present in over 150 markets and produces vehicles at more than 50 locations in 14 countries. Volkswagen manufactured over 6 million vehicles in 2017, including bestsellers such as the Golf, Tiguan, Jetta or Passat. The company has a current workforce of 198,000 employees around the globe. Added to this are more than 7,700 dealers with 74,000 employees. Volkswagen consistently pursues the enhancement of automotive construction. Electric mobility, smart mobility and digital transformation of the brand are the key strategic topics for the future.
