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Volkswagen expands its engagement in Africa: memorandums of understanding signed with Ghana and Nigeria

- New plants are to be built in Ghana and Nigeria
- Ghana teams with Volkswagen to test new mobility solutions
- Memorandums of understanding signed in the presence of government officials

Abuja / Accra / Wolfsburg, August 31 – During German Chancellor Angela Merkel’s visit to Africa, Volkswagen signed two memorandums of understanding with the governments of Ghana and Nigeria. The stated goal is to build plants in both countries and to explore the development of new mobility solutions in Ghana. The document was signed in Ghana in the presence of Vice President Mahamudu Bawumia. The Nigerian Minister of Industry, Trade and Investment, Dr. Okey Enelamah attended the signing ceremony in Abuja. The Head of the Volkswagen Sub-Saharan Region, Thomas Schaefer, signed both agreements on behalf of Volkswagen.



Thomas Schaefer, Head of Sub-Saharan Region & Managing Director: Volkswagen Group South Africa, Angela Merkel, Chancellor of Germany, Vice-President of the Republic of Ghana, Mahamudu Bawumia and Minister of Trade and Industry, Alan Kyerenmaten, signed a MoU to build a plant and to explore the development of new mobility solutions in Ghana



Volkswagen already has a plant in South Africa. It also builds cars in Kenya and recently began to make them in Ruanda, where community car sharing is already being offered as an integrated mobility solution and where ride hailing will also be provided soon.

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In signing the memorandums of understanding, the Volkswagen brand continued to expand its engagement in the Sub-Sahara region of Africa. Schaefer commented: "Both memorandums of understanding demonstrate one thing: the seriousness with which Volkswagen takes its commitment to Africa. We are well positioned. The situation on the continent has stabilized, and the economy is moving forward. The final hurdles for the development



of the automotive industry there have been removed as a result. This is a great opportunity for us."

Ghana: construction of an automaking plant and testing of new mobility solutions

An assembly plant is scheduled to be built in Ghana. This would also include developing a sales and service network in Ghana as well as establishing a Training Academy for Production and After Sales.

In addition, Volkswagen undertook to commence with a feasibility study in Ghana for integrated mobility solutions which will include a review of the commercial viability of introducing rental, car sharing, ride hailing and shuttle services by way of a Ghanaian subsidiary of VWSA (Volkswagen South Africa), or the appointment of a local service provider.

In turn, the Ghanaian Government undertook to develop a comprehensive Ghana Automotive Industry Policy which will incentivize vehicle manufacturing in Ghana. This includes a preferential procurement policy for locally assembled vehicles.

Nigeria: joint development of the country into an automotive hub

In the memorandum of understanding signed in Nigeria, Volkswagen has committed itself to expanding automaking operations on a step-by-step basis and to turning Nigeria into an automotive hub on the western coast of Africa over the long term.

This will include developing a training academy in conjunction with the German Government which will train the initial employees and also provide broader technical training for the community in automotive skills. It is also intended that a comprehensive Volkswagen vehicle and service network is developed in the country subject to commercial viability.

In return, the Nigerian government has pledged to accelerate the passage of Nigerian automotive policies. This includes the gradual transition from the importation of used cars to the manufacture and distribution of new passenger vehicles.

Volkswagen in the African market

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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 a growth market of the future.

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 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.
