
Media information

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Volkswagen Group China to invest over 4 billion Euro in 2020

- Next year's share of investment for e-mobility increases to around 40 percent, paving the way for Volkswagen Group China's NEV offensive
- In 2020, production of ID. Models will start in two factories, electrifying the country and supporting the company's major sustainability goal to become net carbon neutral by 2050
- Despite headwinds, Volkswagen Group China increases its market share to 19.5 percent and outperforms the Chinese market
- Dr. Stephan Wöllenstein: "Our continued investment is charting the right course. Though challenging times remain, we won't slow down and will continue to excite customers with our strong brand portfolio and accelerating electrification."

Beijing/Guangzhou, November 21, 2019 – Volkswagen Group China, together with its Chinese partners, plans to invest over 4 billion Euro next year, with around 40 percent of this investment going towards e-mobility. This will accelerate the Group's electrification strategy, which will be strengthened next year through the start of production of models based on the modular electric drive toolkit MEB in Anting (SAIC VOLKSWAGEN) and Foshan (FAW-Volkswagen). Both factories are specifically designed for manufacturing all-electric cars.



Dr. Stephan Wöllenstein, CEO Volkswagen Group China, at the Guangzhou Auto Show

"Today, almost every fifth car sold in China comes from the Volkswagen Group. In a challenging market environment, our strategies are paying off," said Dr. Stephan Wöllenstein CEO of Volkswagen Group China. "I am looking forward to 2020, when our local e-car production will significantly increase in scale. Success in e-mobility will be a key driver for reaching our sustainability target, becoming net carbon neutral by 2050."

The Volkswagen Group and its partners will invest over 4 billion Euro into the China market in the coming year.

Due to the Group's comprehensive e-mobility strategy, the amount spent on e-mobility will be increased to around 40 percent, in fields such as production, infrastructure, development or research for electric cars. In the next few years, the company generally foresees to spend more on new energy vehicles than on fuel cars. The investment in 2020 will also target Volkswagen Group China's other goals, including further optimizing its model portfolio, developing new mobility solutions, as well as making advancements in smart cities and autonomous driving.

VOLKSWAGEN

GROUP CHINA

By the end of this year, Volkswagen Group China will already offer 14 electrified models, while the Group's comprehensive electro mobility offensive will launch next year. In 2020, production of all-electric cars on Volkswagen's modular electric drive toolkit MEB will start in Anting and Foshan. They will start MEB-production in October 2020 with a total capacity of 600,000 units per year. Overall, the Group will offer 30 locally produced e-cars by 2025, including achieving 1.5 million e-cars sales by that point.

In 2019, Volkswagen Group China has continued to deliver a solid performance, with this year achieving total cumulative sales of over 42 million vehicles in the China market since first arriving in the country. By October, the Group has delivered 3.34 million vehicles and increased its market share to 19.5 percent (previous year 18,5 percent) in China. Despite headwinds in the market, Volkswagen Group China expects to continue to outperform the overall market and is confident in the long-term potential of the Chinese auto development.



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About the Volkswagen Group:

The Volkswagen Group, with its headquarters in Wolfsburg, is one of the world's leading automobile manufacturers and the largest carmaker in Europe. The Group comprises twelve brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN. The passenger car portfolio ranges from small cars all the way to luxury-class vehicles. Ducati offers motorcycles. In the light and heavy commercial vehicles sector, the products include ranges from pick-ups, buses and heavy trucks. Every weekday, 664,496 employees around the globe produce on average 44,567 vehicles, are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2018, the total number of vehicles supplied to customers by the Group globally was 10,8 million (2017: 10,7 million). The passenger car global market share was 12.3 per cent. In Western Europe 22.0 per cent of all new passenger cars come from the Volkswagen Group. Group sales revenue in 2018 totalled €235.8 billion (2017: €231 billion). Earnings after tax in 2017 amounted to €17.1 billion (2017: €11.6 billion).