Volkswagen strengthens activities in China with market entry of SEAT and Smart City Project

- Agreement between the partners of the Chinese JAC Volkswagen joint venture enables next step for SEAT’s market entry into China
- Volkswagen AG CEO and Chairman of the Board of Directors of SEAT Dr. Diess: "With the market entry of SEAT, Volkswagen Group will be able to broaden the market development efforts into new customer bases."
- Smart City Project in the Chinese megacity of Hefei supports Volkswagen Group China’s further development in autonomous driving

Martorell / Wolfsburg, 27 May 2019 - The Volkswagen Group is expanding its business in its most important market, China. Volkswagen Group China, SEAT and the Chinese auto manufacturer JAC, which together form the joint venture JAC Volkswagen, continue to drive SEAT’s market entry strategy. The Spanish brand aims to enter the Chinese market in the coming two to three years. An agreement has now been reached in Martorell, Spain, during a visit by a delegation of Chinese government officials from the Anhui province. Anhui’s provincial capital Hefei is where the headquarters of the JAC Volkswagen joint venture is located, which was founded in 2017 and focuses on the development, production and marketing of pure battery vehicles. China plays a central role in the global transformation of the Volkswagen Group and its decarbonization program. Already this year, the range of electrified vehicles will be expanded. By 2028, more than half of the 22 million e-cars planned by the Group will be produced in China. The goal is to deliver around 1.5 million electrified vehicles, most of them pure e-cars, to customers by 2025.

The joint venture owned R&D center in Hefei is an important pillar in developing future mobility solutions for the Chinese market. It also provides resources for the co-development of battery vehicles and components. The center is currently under construction and is expected to open in 2021. In addition, JAC and SEAT plan to develop their own platform for smaller e-cars.

Dr. Herbert Diess, CEO of Volkswagen AG and Chairman of the Board of Directors of SEAT: "In the world’s largest market for electric mobility, the close cooperation between SEAT and JAC will allow us to create synergies, which will significantly increase our market coverage. Notably, the smaller electric cars segment is growing rapidly and offers a lot of potential."
Luca de Meo, CEO of SEAT: “The signing of this agreement is a new step forward in the strategic plan for the globalization of SEAT. With the introduction of our business in China, we are boosting the future of the company and of electric mobility at the same time. Today, China is the benchmark country for electric vehicles. We aim to be a part of this ecosystem in order to exchange knowledge and make progress in achieving global mobility that is more sustainable.”

**Smart City Project enables development of future mobility solutions**

In addition to the next steps for the JAC Volkswagen joint venture and SEAT, another agreement was signed to focus on the development of future mobility solutions.

In a smart city partnership with the city of Hefei in the Anhui province, requirements and demand for future mobility in a fully connected city are to be tested and smart mobility solutions will be developed. The strategic framework agreement was signed by Volkswagen Group China and its associated mobility company Mobility Asia, as well as JAC and the government of Hefei.

Dr. Stephan Wöllenstein, CEO Volkswagen Group China: “Volkswagen Group China is already exciting millions of Chinese customers with a wide range of vehicles. With this cooperation, we demonstrate that we are working hard to take a leading role in the field of smart mobility solutions in the Chinese market as well.”

The initiative will give Volkswagen the opportunity to test new technologies, business models and products in a connected smart city environment. The focus of the partnership is the development of autonomous driving. Volkswagen Group China, Mobility Asia and JAC will pool their resources and collaborate on autonomous mobility services, including self-driving vehicles (robotaxis) and autonomous fleet management. In addition, the Smart City partnership includes areas such as ride railing or car sharing.

Around eight million people live in the city of Hefei, which aims to become a state-of-the-art smart city with the help of this partnership.
**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).