

Media Information  
6 June 2019

## **BMW Group opens plant in San Luis Potosi, Mexico**

- Innovative digitalisation technologies and new sustainability benchmarks set plant apart
- Investment of over one billion US dollars
- BMW Group active in Mexico for 25 years
- Plant will be supplied with 100% CO<sub>2</sub>-free electricity

**San Luis Potosi/Munich.** High-level representatives of the Mexican government and the BMW Group officially opened the company's new automotive plant in San Luis Potosi in Mexico today.

Oliver Zipse, member of the Board of Management of BMW AG responsible for Production, stated during the ceremony: "The new plant in San Luis Potosi is an important pillar of the BMW Group's global production strategy. We aim to achieve a balance in our production and sales in the different world regions. We want to strengthen our footprint in important and growing markets. Plant San Luis Potosi will significantly boost our regional production flexibility in the Americas. From here, we are delivering our locally produced BMW 3 Series Sedan to customers worldwide."

The company has invested more than one billion US dollars in the new production location. The plant, which already employs 2,500 people, will have a capacity of up to 175,000 units per year once the ramp-up phase is fully completed.

San Luis Potosi will build the BMW brand's most successful model series: the BMW 3 Series Sedan. In the company's more than 100-year history, this iconic car has come to represent the heart of the brand, setting the standard for dynamic performance, efficiency and design.

The ceremony in San Luis Potosi was attended by guests including Dr. Alfonso Romo Garza, Head of the Office of the Presidency of the Mexican Republic; Dr Juan Manuel Carreras López, governor of the state of San Luis Potosi; Oliver Zipse, member of the Board of Management of BMW AG responsible for Production;

Media Information

Date 6 June 2019

Subject BMW Group opens plant in San Luis Potosi, Mexico

Page 2

Milagros Caiña-Andree, member of the Board of Management of BMW AG responsible for Human Resources and Labour Relations, and Dr Andreas Wendt, member of the Board of Management of BMW AG responsible for Purchasing and Supplier Network.

Head of Human Resources Milagros Caiña-Andree highlighted the BMW Group's strong commitment to vocational education: "Our highly-trained employees form a strong foundation for our new BMW Group Plant San Luis Potosi and help us meet high quality standards for our premium products. Our dual vocational training programme is already in its fourth generation."

At an innovative new training centre on the plant grounds, all new staff and apprentices are trained in the BMW Group's latest production processes and technologies, based on the dual vocational training model. The centre is not just focused on expanding employees' and apprentices' technical skills, but also boosting motivation, enthusiasm and team spirit.

The plant is working with four technical institutes in this area and has already trained 250 apprentices in technical occupations.

Dr Andreas Wendt, member of the Board of Management of BMW AG responsible for Purchasing and Supplier Network: "We have a strong supplier base we can build on in Mexico, having sourced high-quality, technologically sophisticated and innovative products from here for more than ten years. Every BMW Group vehicle today already contains at least one part from one of our 220 Mexican suppliers. Our new plant will benefit from short supply routes and the high level of flexibility this gives our supply chain."

The BMW Group has operated its own local purchasing office in Mexico since 2008. In 2017, the office relocated from Mexico City to San Luis Potosi, where it now employs 105 people. The BMW Group's purchasing volume in Mexico reached USD 2.5 billion last year.

Media Information

Date 6 June 2019

Subject BMW Group opens plant in San Luis Potosi, Mexico

Page 3

**Focus on flexibility, digitalisation and sustainability**

Hermann Bohrer, director of the Mexican plant: “The plant was designed from the start to allow us to respond quickly and flexibly to future model variants and production volumes. We use innovative Industry 4.0 technologies, including new automation solutions and modern assistance systems. Sustainability was also a major focus from the beginning – and we are setting new standards in this area.”

**Latest Industry 4.0 technologies**

The BMW Group used digital 3D plans during construction of the plant, both for the building itself and for the installation of equipment. During every phase of construction, architects entered specific information, such as location, dimensions and completion date into digital models. Digital 3D-scanning technology was also used during construction for the first time. Combining these two technologies allowed for real-time analysis of construction progress and cost-efficient modifications, providing the BMW Group with continuous planning reliability.

The new BMW Group plant is a pioneer in the field of intelligent maintenance. Smart Maintenance Assistant Software is being used for the first time, enabling proactive maintenance throughout the plant to be planned ahead of time, thereby increasing equipment availability. Service activities are based on current, intelligently organised system data instead of predefined maintenance intervals. Using smart devices such as tablets and smartphones, staff receive all relevant information regarding equipment status.

Various Industry 4.0 technologies are used, for example, in assembly, where screens have largely replaced paper throughout the assembly process. Two screens per takt provide staff with all the information they need – information which, in the past, was only available on paper. This digital job card is being used for the first time at the BMW Group plant in Mexico.

Robots and employees work directly alongside one another in engine pre-assembly, cooperating in a way which plays to the strengths of each. Robots have the power to turn the heavy convertor, while the employees have the manual dexterity to make the final adjustments to fit them together precisely.



Media Information

Date 6 June 2019

Subject BMW Group opens plant in San Luis Potosi, Mexico

Page 4

**New sustainability benchmarks**

From the first full year of production, the facility in San Luis Potosi will be the BMW Group's most resource-efficient plant.

Careful use of water resources is a primary sustainability objective. The site, with the production network's lowest water consumption per vehicle produced, will be the BMW Group's first paint shop to generate no process wastewater at all. The water needed for the painting process is reconditioned and reused.

The use of renewable energy sources ensures that the plant will be supplied with 100% CO<sub>2</sub>-free electricity in future. A solar energy plant on-site, covering an area of more than 70,000 m<sup>2</sup>, will produce part of the energy.

**Production for the global market**

The new plant in Mexico expands the BMW Group production network to a total of 31 locations. In line with the BMW Group's Strategy NUMBER ONE > NEXT, this ensures the company has a flexible and efficient international production network, with a good balance of value creation between Europe, Asia and the Americas.

The new location in Mexico is another building block in this growth strategy. The country is a member of the NAFTA free-trade area with Canada and the United States. It also has a large number of free-trade agreements, including with the European Union and MERCOSUR, which make it easier to export cars and import supplied parts.

The NAFTA region in particular, with its consistently high sales volumes, is a key market for the BMW Group. Twenty five years ago, the BMW Group opened its plant in Spartanburg, USA, and has since invested nearly nine billion US dollars in the site. The company will invest a further 600 million US dollars there by 2021 to gear it up for future generations of the BMW X models. The number of jobs will increase in parallel to around 11,000. In total, the company supports almost 70,000 direct and indirect jobs in the US.

Media Information

Date 6 June 2019

Subject BMW Group opens plant in San Luis Potosi, Mexico

Page 5

**The BMW Group in Mexico**

The BMW Group sales company in Mexico is celebrating its 25<sup>th</sup> anniversary this year. The local sales company is not only responsible for the Mexican market, but also manages the company's business strategy for the whole Latin America region, covering a total of 28 countries. Delivering continuous growth, Mexico is the most important market in this region.

In 2018, the BMW Group sold a total of 25,090 vehicles (18,501 BMW, 6,589 MINI) in Mexico – an increase of more than 13% over the previous year.

Please note: The opening of the new BMW Group plant in San Luis Potosí will be broadcast live at this link: <https://bit.ly/2K5RAG5>.

If you have any questions, please contact:

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Media Information

Date 6 June 2019

Subject BMW Group opens plant in San Luis Potosi, Mexico

Page 6

**The BMW Group production network**

Strong customer demand and the launch of new models resulted in high capacity utilisation for the BMW Group's production network in 2018. With 2,541,534 vehicles produced for the BMW, MINI and Rolls-Royce brands, production volumes reached a new all-time high. This figure included 2,168,496 BMW, 368,685 MINI and 4,353 Rolls-Royce units. The company's German plants produced more than one million vehicles.

With its unparalleled flexibility, the leading-edge production system is in excellent shape for the future. Based on Strategy NUMBER ONE > NEXT, it is characterised by a high level of efficiency and robust processes. The BMW Group's production expertise represents a decisive competitive advantage and contributes to the profitability of the company and its sustainable success.

Quality and speed of reaction are key factors in the BMW production system, as well as flexibility. Digitalisation, standardised modular concepts and intelligent composite construction testify to the high level of expertise within the production network. At the same time, the production system offers a very high level of customisation and allows customer specifications to be modified up until six days before delivery.

**The BMW Group**

With its four brands BMW, MINI, Rolls-Royce and BMW Motorrad, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. The BMW Group production network comprises 31 production and assembly facilities in 15 countries; the company has a global sales network in more than 140 countries.

In 2018, the BMW Group sold over 2,490,000 passenger vehicles and more than 165,000 motorcycles worldwide. The profit before tax in the financial year 2018 was € 9.815 billion on revenues amounting to € 97.480 billion. As of 31 December 2018, the BMW Group had a workforce of 134,682 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company has therefore established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy.

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