

Media Information
19 May 2017

EMBARGO:

05:00 a.m. Munich time
11:00 a.m. Shenyang time

BMW Brilliance Automotive further expands production capacity in China

Major expansion of BBA Plant Dadong in Shenyang
Total capacity in Dadong and Tiexi up to 450,000 units per year
Investment of one billion euros
Start of production for new long-wheelbase BMW 5 Series Sedan

Munich/Shenyang. BMW Brilliance Automotive (BBA) today opened the newly-built north section of its automotive plant in Dadong/Shenyang, China. The first long-wheelbase version of the new BMW 5 Series Sedan rolled off the production line during the opening ceremony. The northern extension comprises all production areas of a full plant and boasts a highly-advanced production system with the latest sustainability standards. With its two production locations in Dadong and Tiexi, BBA will have a total annual capacity of up to 450,000 units.

“The Dadong plant demonstrates the success of our joint venture and the BMW 5 Series in China. The extension of the northern section underlines our clear commitment to the Chinese market. BBA has invested a total of one billion euros in the expansion of its Dadong production location over the past three years. The locally-produced BMW 5 Series has been an unmitigated success: It was the top-selling vehicle in the premium segment in China in 2016 and we expect it to remain the leader in its segment,” remarked Dr. Nicolas Peter, member of the Board of Management of BMW AG responsible for Finance, at the opening ceremony in China.

“Our production in China is well prepared for further market growth. The new north section is the result of the latest technologies and comprehensive knowledge of the BMW production system,” added Oliver Zipse, member of the Board of Management of BMW AG, responsible for Production. “We will continue to invest in our highly innovative production sites in China. Our next project is already

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underway: the remodelling of the southern section of Plant Dadong. Once finished, it will give us even greater flexibility and more potential for growth.”

The opening ceremony was attended by Dr. Nicolas Peter, member of the Board of Management of BMW AG, Finance; Oliver Zipse, member of the Board of Management of BMW AG, Production; Olaf Kastner, President and CEO BMW Group Region China; Yumin Qi, Chairman, Brilliance Automotive Group Holdings Co., Ltd.; Xiaoan Wu, Chairman, BMW Brilliance Automotive Ltd.; Dr. Johann Wieland, President and CEO BMW Brilliance Automotive, China, and local government representatives.

Highly-advanced technology and new sustainability standards

The large-scale expansion of BBA Plant Dadong involves all key technologies – including press plant, body shop, paint shop and assembly – and utilises highly-advanced equipment and the latest in process digitalisation. Using 3D computer simulation, for example, the direct-drive servo press installed in the press plant can process aluminum to an extremely high quality standard. Optical laser scanners then measure the body and verify quality in a matter of seconds.

Another example of Industry 4.0 applications can be found in the networked production system: using the vehicle identification number, the individual components, operations and machines of every BMW 5 Series built in Dadong can be traced. This internet-of-things architecture, combined with automated data analysis, results in greater transparency and higher quality overall. New machines, processes and products can also be integrated faster into ongoing production.

To reduce the workload for production employees, BBA is using innovative exoskeletons worn directly on the body. Like a second skeleton, this structure provides external support for the body and reduces the effort required for physically demanding tasks. Mobile smart devices such as tablets provide employees with precisely the information they need.

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A holistic approach, innovative technologies and highly-advanced processes have enabled especially sustainable and environmentally-friendly production in the new section of the plant. Most notably, the paint shop uses 60% less energy and water than it did ten years ago. Wastewater has also been reduced by 50% and volatile organic compounds by no less than 80%. The direct-drive servo press also helps the plant meet its sustainability targets. It uses 44% less energy than a hydraulic press, with a noise reduction of 12 decibels.

Overall, the new northern section will use 30% less energy compared with the production of the previous BMW 5 Series.

BBA President Dr. Johann Wieland emphasized, “BMW Brilliance is recognised as one of the most visionary and successful premium auto makers in China. We are a leading employer, a major contributor to the local economy and a reliable corporate partner.”

The Shenyang production location

The Shenyang location, which comprises the Tiexi and Dadong automotive plants and the engine plant including light-metal foundry, plays an important role in the BMW Group’s global production network. It contributes to the strategy of globally balanced growth, which includes installing production capacity in the respective regional markets.

BBA’s two automotive plants, Tiexi and Dadong, already produce five BMW models. With the expansion of its northern section, the Dadong plant will also have room for a sixth model, the new BMW X3.

BBA production in Shenyang builds vehicles exclusively for the Chinese market. The Dadong plant in the northeast of the city started production in 2004 and produces today the BMW 5 Series Long-Wheelbase Version. The Tiexi plant in the west of Shenyang went on-stream in 2012 and builds the BMW X1 Long-Wheelbase Version (including a plugin-hybrid version), the BMW 1 Series Sedan, the BMW 2 Series Tourer, the BMW 3 Series Long-Wheelbase Version and the BMW 3 Series Sedan.

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A key component of the Shenyang location is the engine plant with light-metal foundry – the BMW Group’s only engine production facility outside Europe. The engine plant supplies the two vehicle production sites in Dadong and Tiexi with drive units for locally-produced BMW automobiles. A new high-voltage battery centre, which will assemble high-voltage batteries for plug-in hybrid vehicles, is currently under construction.

China – the largest BMW Group market

In the first four months of 2017, China remained the largest single market for the BMW Group, with a total of 191,697 vehicles sold (+18.2 %). Following the market launch of the BMW 1 Series Sedan, the ramp-up of the new BMW 5 Series Long-Wheelbase Version promises to generate further sales momentum in the second half of the year. 2016 was the first time ever more than half a million BMWs and MINIs were sold in a single year in China (516,355 units, +11.3 %). The BMW Group Chinese sales network comprises more than 470 dealerships.

The BMW Brilliance Automotive joint venture

The BMW Brilliance Automotive joint venture was founded in 2003 and encompasses production and sales of BMW automobiles in China, as well as local development tasks. The joint venture employs more than 16,000 people, while its supplier network comprises around 350 local suppliers.

In 2014, the BMW Group and Brilliance China Automotive Holdings Limited extended the contract for their Chinese joint venture early – four years before the current contract expired – thus laying the foundation to deepen further this successful cooperation. The extended contract is valid for ten years (from 2018 to 2028).

Current photo material from the opening of the Dadong plant can be found at www.shenyang.bmwpictures.de

Corporate Communications

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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. As a global company, the BMW Group operates 31 production and assembly facilities in 14 countries and has a global sales network in more than 140 countries.

In 2016, the BMW Group sold approximately 2.367 million cars and 145,000 motorcycles worldwide. The profit before tax was approximately € 9.67 billion on revenues amounting to € 94.16 billion. As of 31 December 2016, the BMW Group had a workforce of 124,729 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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