BMW GROUP Corporate Communications



Press Release May 21 2021

BMW Startup Garage China opens Joint Innovation Base with Alibaba Cloud in Shanghai.

+++ Extension of the BMW Group's open innovation ecosystem +++ Joint Innovation Base to provide incubation services to no less than 300 Chinese startups +++ New collaboration perspectives for international activities of BMW Startup Garage +++

Munich/Shanghai. The Joint Innovation Base (officially named "Alibaba Cloud Innovation Center - BMW Startup Garage Joint Innovation Base") started operations yesterday in the Shanghai Jinqiao Economic and Technological Development Zone. With this project, BMW and Alibaba will harness their respective strengths and resources in order to empower Chinese tech startups for scaling up their innovations. The focus of the startups in the Joint Innovation Base will be on innovative products, solutions and services bridging between internet, internet of things (IoT) and the automotive industry.

Jochen Goller, President and CEO of BMW Group Region China, said: "Having become a global innovation power house, China is providing an ever expanding playing field for start-up companies especially in science and technology. In this context, BMW Group is also scaling up its digital footprint in China as well as accelerating our transformation towards electrification. We will continue to deepen our collaboration with both established Chinese tech players as well as skilled new talents to foster their respective strength on innovation."

In three years the Joint Innovation Base will provide no less than 300 companies with advanced cloud computing infrastructure from Alibaba, access to BMW experts and BMW business units via the BMW Startup Garage. The BMW Startup Garage aims to scout high-potential startups to match their innovative solutions with the BMW Group's needs. It is positioned as the gateway for startups to the auto industry linking the BMW Group with cutting-edge outside-in technologies







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(more information on the BMW Startup Garage). More than twenty startups covering strategic innovation fields such as digitisation, electrification and sustainability have already set up their office in the joint incubator.

Vehicle innovations in China mainly revolve around digitalization, smart connectivity, artificial intelligence and automated driving. "Digital innovation happens at a breath-taking pace in China. Our new Joint Innovation Base will act as accelerator to further strengthen our engagement with Chinese top-startups," said Peter Lehnert, Vice President New Technologies, Research and Innovation Digital Car.

The worldwide search for startups: thinking outside the box.

The BMW Group's technology scouting network has a global reach. The BMW Startup Garage runs small, agile teams stationed at international technology hotspots. It now has representatives working at the BMW Group Technology Offices in Munich, Silicon Valley (Mountain View), Shanghai, Seoul, Tokyo, Singapore and Tel Aviv. Working closely with the central development departments in Munich, each individual location is instrumental in securing early access to trends and technologies to be able to shape future mobility and bring the best possible offers to customers.

In addition to promoting open innovation in China, BMW also teamed up with Alibaba to accelerate digital transformation. In October 2020, the duo signed a Memorandum of Understanding (MoU) to carry out comprehensive cooperation in branding, marketing, channels, end-to-end operations, services, information technology etc, aiming to implement the digitalization strategy into BMW China's full business process, and enable dealers to provide an end-to-end online-to-offline digital experience for customers.

BMW Group's R&D footprint in China.

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Technological innovation and digitalization are the two key fields to accelerate BMW Group's business development in China. It is continuously scaling up investment in R&D in China, accelerating the transition from "Made in China" to "Create in China". The BMW Group has established the largest R&D footprint in China outside of Germany, including three R&D centres in Beijing, Shanghai and Shenyang, a dedicated digital company LingYue Digital Information Technology Co. Ltd and a new Tech-JV named BMW ArcherMind Information Technology Co. Ltd..

The R&D centre in Beijing focuses on requirements management, customers orientation, vehicle testing and validation, homologation and type approval, and tailoring products to Chinese customers. The centre in Shanghai is dedicated to research on future mobility, creative design and digital products and services, including development and applications in automated driving and smart connectivity. The Shenyang centre, adjacent to BMW's brilliance manufacturing plant and battery centre, is geared toward the development of electric mobility and local production.

The establishment of LingYue is an important step for BMW Group to facilitate its customer-centricity transformation in China. LingYue provides end-to-end digital solutions and operational services to enable seamless and exclusive online-to-of-fline user experiences for our Chinese customers.

The BMW ArcherMind Information Technology Co. Ltd has started operation in April and will have about 200 employees by the end of 2021. The joint venture will greatly improve BMW's digital competency in China, especially in the areas of software development and in-car digital offerings.

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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. 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 2020, the BMW Group sold over 2.3 million passenger vehicles and more than 169,000 motorcycles worldwide. The profit before tax in the financial year 2020 was € 5.222 billion on revenues amounting to € 98.990 billion. As of 31 December 2020, the BMW Group had a workforce of 120,726 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company set the course for the future at an early stage and consistently makes sustainability and efficient resource management central to its strategic direction, from the supply chain through production to the end of the use phase of all products.

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