

Media Information

14 April 2022

**BBA Plant Dadong extension opens**

+++ Local production of BMW X5 launches in China +++

Increasing flexibility and strong focus on digitalisation +++

Nedeljković: "Our Chinese production sites are highly significant for the BMW Group" +++

**Shenyang.** After comprehensive construction work, the new extension to Plant Dadong is ready to open. Owned by the joint venture BMW Brilliance Automotive Ltd (BBA), the plant will simultaneously launch production of the BMW X5 with extended wheelbase in its new extension, exclusively for the Chinese market. A global success story, the X5 has so far only been made at the BMW Group's US plant, in Spartanburg. The new plant extension offers additional production capacity globally. With the completion of the construction, the Dadong plant will follow the principles of the BMW iFACTORY. LEAN. GREEN. DIGITAL.

"Plant Dadong proves the strength of our team", says Milan Nedeljković, BMW AG Board Member for Production: "Despite the challenges of the last three years, this complex construction project was completed fully on schedule. Our Chinese production sites are highly significant for the BMW Group. Last year almost one in every three BMW Group vehicles delivered around the world was manufactured in Shenyang."

BMW Brilliance Plant Dadong is where the localisation of BMW vehicles in China first began. Today the plant is a pioneer of "Industry 4.0" car production and perfectly matches to BMW iFACTORY – the masterplan for the future of production. With the upgrade now complete, it offers fully flexible production of combustion-powered, plug-in hybrid and all-electric vehicles. This enhanced flexibility allows it to respond quickly to future market trends and the changing wishes of customers. Extending the plant, further focal points were digitalisation and sustainability, with innovative production technologies further reducing the plant's environmental impact.

Franz Decker, President and CEO of BMW Brilliance: "In China, we are determined to lead from the forefront: green, lean, digital! Driven by technology and innovation we create more value for our customers. Building on 100 years of BMW manufacturing experience we build-up one of China's most advanced and intelligent production sites here in Shenyang. Plant Dadong extension will once again set benchmarks on sustainability, productivity, digitalization and agility."

Besides the newly introduced BMW X5, Plant Dadong already produces the BMW 5 Series and X3 for the Chinese market. It is also the only facility to make the fully electric BMW iX3 for the world market. Together with BBA's second facility, Plant Tiexi, it produced a combined total of more than 700,000 vehicles last year, making Shenyang not only the highest-volume manufacturing location of the BMW Group but also the largest premium manufacturer in China. Plant Tiexi produces the BMW 1 Series and 3 Series as well as the BMW X1 and X2. In the summer, the new plant, Plant Lydia will open, as the home of the new BMW i3, a fully electric 3 Series made exclusively for the Chinese market.

With the local Powertrain plant, which manufactures combustion engines as well as high-voltage batteries, Shenyang will be home to four production facilities. Extensive R&D work is also carried out there. Since 2010, the joint venture BBA has invested around 83 billion RMB in plants, facilities, projects and R&D activities in Shenyang.

**Dadong – Plant extension with superlatives**

In its upgraded form, Plant Dadong now has a footprint of 910,000 m<sup>2</sup> – the equivalent of about 125 football pitches. It accommodates a press shop, a bodyshop, a paintshop and a single roof integrated logistics and assembly building with two independent production lines. The bodyshop is equipped with the KUKA's largest Titan robot with a loading capacity of 1.3 tonnes for underbody grabbing.

Further investments have also been made in sustainability. Nearly 80 percent of finished vehicles in Shenyang are wholly or partially transported by rail, hence with nine railway lines plant Dadong has the biggest railway station in all BMW Group plant structures. The press shop offers clean separation of scrap aluminium and steel for circularity, thereby making a major contribution to the further reduction of CO<sub>2</sub> emissions. The paintshop in Plant Dadong has already achieved zero fresh water consumption, and energy consumption efficiency is set to be increased even further.

Plant Dadong's solar array has also been upgraded. This year, its 179,000m<sup>2</sup> of panels are expected to produce more than 21 MWh of energy from renewable sources. BBA Shenyang production base now owns 290,000 m<sup>2</sup> covered area of solar panel system, ranking No.1 in Liaoning Province. In addition, the plant has introduced further charging points in car parks for employees to charge their cars.

**Digitalisation sets standards**

Dadong has also received a digitalisation upgrade. Benefit-driven digital projects are implemented in five core areas: Digital Platform, Planning,

Production, Logistics, and Campus. Data science, artificial intelligence and virtual planning are opening up new dimensions in automotive production, making it faster, more precise and more transparent and taking efficiency, flexibility, sustainability and quality to an entirely new level.

Process control and various parameter data are monitored and analysed in real-time throughout the entire production process chain, allowing potential problems to be detected quickly and resolved.

**\*Consumption/emissions data:****BMW iX3:** Power consumption in kWh/100 km combined: 18.9-18.5 WLTP

If you have any questions, please contact:

**Corporate Communications**

Julian Friedrich, head of Communications Production Network BMW Group

Telephone: +49 89 382 25885

Email: [Julian.Friedrich@bmw.de](mailto:Julian.Friedrich@bmw.de)

Martina Hatzel, Communications Production Network BMW Group

Telephone: +49-89-382-11966

Email: [Martina.Hatzel@bmwgroup.com](mailto:Martina.Hatzel@bmwgroup.com)

Media website: [www.press.bmwgroup.com](http://www.press.bmwgroup.com)

E-mail: [presse@bmw.de](mailto:presse@bmw.de)

**The BMW Group production network**

For decades, the BMW Group has seen itself as a benchmark in terms of production technology and operational excellence in vehicle manufacturing. BMW iFACTORY. LEAN. GREEN. DIGITAL. represents the strategic target of the global production network. It provides answers to the challenges of transforming towards e-mobility and takes a global approach.

Lean stands for efficiency, precision, maximum flexibility and outstanding integration capability. Green includes the use of state-of-the-art technologies to establish a production with the least amount of resources. The aim is to reduce CO<sub>2</sub> emissions per vehicle produced by 80% from 2019 levels by 2030. Digital focuses on data science, artificial intelligence as

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well as virtual planning and development. The production of the BMW Group thus makes a decisive contribution to the profitability of the company.

**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 2021, the BMW Group sold over 2.5 million passenger vehicles and more than 194,000 motorcycles worldwide. The profit before tax in the financial year 2021 was € 16.1 billion on revenues amounting to € 111.2 billion. As of 31 December 2021, the BMW Group had a workforce of 118,909 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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