

Media Information  
18 May 2023

## **On 20th anniversary of Chinese joint venture BMW Brilliance Automotive, BMW Group announces local production of NEUE KLASSE in China from 2026**

- NEUE KLASSE to be released in 2025, local production in Shenyang for China from 2026
- BBA to invest RMB 10 billion in construction of assembly plant for sixth-generation high-voltage batteries in China
- Global production network for high-voltage batteries based on “local for local” principle

**Shenyang.** To mark the 20th anniversary of the BMW Brilliance Automotive Ltd. (BBA) joint venture, Milan Nedeljković, member of the Board of Management of BMW AG responsible for Production, today announced local production of the NEUE KLASSE in China. Following the market launch in 2025, models of the next vehicle generation will also be produced from 2026 onwards by BBA in Shenyang. The high-voltage batteries required for this will likewise be manufactured locally. The virtual ground-breaking for a new assembly site for high-voltage batteries also took place as part of the anniversary celebrations. BBA is investing RMB 10 billion in the new location, which will produce battery cells for the next, sixth generation of high-voltage batteries from 2026 onwards. The “Sixth-Generation Battery Project” will play a key role in production of vehicles for the NEUE KLASSE and create around 2,000 new jobs in the region.

“From a small assembly facility with a limited number of units, our plants in Shenyang have developed into our largest production location worldwide. Today, 20 years after our joint venture’s initial start of production, I am delighted to announce local production of the NEUE KLASSE in China,” declared Milan Nedeljković in Shenyang. “Integration of the NEUE KLASSE into our production in China goes hand in hand with construction of a high-voltage battery assembly for the next, sixth generation of batteries and will make a significant contribution to further electrification of our lineup and, therefore, to our success as a company.”

**20 years of BBA – strong partnership between China and Germany**

The BMW Group has had a presence in the Chinese market since 1994 and founded the BMW Brilliance Automotive joint venture in May 2003. Over the past 20 years, the BMW Group has continuously expanded its activities in China, and production capacity in Shenyang has increased from 30,000 to 830,000 units. BBA currently produces seven model ranges, with fully-electric, plug-in hybrid and internal combustion engines.

Electromobility and digitalisation play an important role at the BMW Group and, particularly, in China. The BMW Group's next model generation, the NEUE KLASSE, will embody all three pillars of future mobility: electric, digital and circular.

**Global production network for high-voltage batteries based on "local for local" principle**

Integration of the NEUE KLASSE in China and construction of battery factories for the sixth generation are further milestones, as the BMW Group systematically aligns its production network for electromobility. More than half the vehicles the BMW Group sells worldwide should be fully electric before 2030.

At present, the BMW Group produces electronic components and high-voltage batteries for its current electric vehicles at its German sites in Dingolfing, Leipzig and Regensburg, as well as at the Shenyang location in China. In addition to Shenyang, new assembly sites for sixth-generation high-voltage batteries will be added in Debrecen (Hungary), San Luis Potosí (Mexico) and Woodruff near Spartanburg (USA) in the next few years. These batteries will be used in the models of the NEUE KLASSE. The company also plans to establish a new location in Germany to supply its Bavarian vehicle plants with sixth-generation high-voltage batteries going forward.

With its “local for local” approach, the BMW Group is securing the increasing electrification of its product lineup in individual regions of the world. Short distances also enable CO<sub>2</sub> savings from logistics.

### **Expansion of research and development activities in Shenyang**

In preparation for the rollout of the NEUE KLASSE, the BMW Group has created an entire electromobility ecosystem in China, spanning research and development, the supply chain and production of batteries and electric vehicles. With facilities in Beijing, Shanghai, Shenyang and Nanjing, the BMW Group has built the biggest research and innovation network outside of Germany. The research and development centre in Shenyang is mainly focused on developing technologies for electromobility and localising products. To coincide with its tenth anniversary, the R&D facility was comprehensively expanded and development and validation capacity for BEVs in China increased. The site provides 19 test benches for low and high-voltage testing, pedestrian safety testing, improved electronic analyses and charging capacity tests at extreme temperatures. These expanded testing capacities can also help shorten development cycles.

### **Local supplier network further expanded**

The BMW Group is continuously expanding its supplier network in China and consistently implementing its “local for local” approach. BBA already has around 430 local suppliers across the country. More than a quarter of these are in Liaoning Province and almost 100 in Shenyang.

### **Systematic implementation of BMW iFACTORY**

Implementation of the BMW iFACTORY – the master plan for automotive production at the BMW Group – will drive further development of high-quality, intelligent and resource-efficient manufacturing in Shenyang. Based on the production principles LEAN. GREEN. DIGITAL., the BMW iFACTORY sets new

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standards for automotive production in the age of electric and digital mobility: The most recent example of this is the Lydia plant site that opened last year and was configured for the BMW iFACTORY from the beginning.

**Reliable employer**

The BMW Group and BBA provide high-quality jobs for more than 30,000 people in China; 26,000 of these at BBA alone. 92 percent of the managerial positions are currently held by Chinese staff.

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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 over 30 production sites worldwide; the company has a global sales network in more than 140 countries.

In 2022, the BMW Group sold nearly 2.4 million passenger vehicles and more than 202,000 motorcycles worldwide. The profit before tax in the financial year 2022 was € 23.5 billion on revenues amounting to € 142.6 billion. As of 31 December 2022, the BMW Group had a workforce of 149,475 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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