



Media Information

March 28, 2014

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**Dr. Norbert Reithofer**  
**Chairman of the Board of Management of BMW AG**

**Harald Krüger**  
**Member of the Board of Management of BMW AG, Production**

**“Commitment in the US”**  
**Spartanburg, March 28, 2014**



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**Dr. Norbert Reithofer****Chairman of the Board of Management of BMW AG**

Secretary Pritzker, Governor Haley, Honored guests,

The Ultimate Driving Machine drove onto the American market back in 1954 with a BMW 502. Roughly 20 years later, we opened our own Sales Company here. At that time we sold around 18.500 cars in the US market per year.

At the BMW Group, we have a golden rule: Production follows the market. So, it was a very natural step for us to open our own plant here in 1994 – 20 years after establishing our sales office. At that time, our dealers were selling 84,000 BMWs per year. Last year, the BMW Group sold more than 375,000 cars here in the U.S.

So, for me there is no doubt at all: Our decision to come to South Carolina was the right one. Why did we choose the Great State of South Carolina? In the Spartanburg area, we find hard-working people, who are dedicated and highly motivated, and who have the same driving passion that we do to make the Ultimate Driving Machine. And here we were received by extremely open and reliable partners at federal, regional, and state level.

It is individuals such as yourselves who have supported and encouraged us over the years. It's thanks to people like you that not only South Carolina, but also the United States has become the second home of the BMW Group. It is an honor to have you both here with us today.

We appreciate that you have both continued the tradition of building strong ties between the States of Bavaria and South Carolina as well as between both of our



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countries: Germany and the USA. I am certain you agree with me: The bonds of this partnership are stronger than ever.

We are all here today to celebrate 20 years of our first full production plant outside of Germany. But more importantly, we are here today to begin a new chapter: to build upon a solid foundation towards a bright future. Secretary Pritzker, it was your commitment that encouraged us in our decision to expand our plant operations here in the United States.

In particular, I would also like to thank you for your leadership in promoting the development of manufacturing excellence and open trade not only in the U.S. but also in Europe and Asia. We need more free-trade advocates as yourself who fully understand the benefits that open borders offer businesses to flourish and how they in turn benefit society as a whole.

Governor Haley, the government of South Carolina welcomed us here 20 years ago. Today, I want to thank you for your continued efforts in promoting this partnership as many former governors before you have done. Your personal commitment to the plant has truly been appreciated. Although the Honorable Senator Lindsey Graham could not join us today, I would like to personally express my thanks for his strong commitment to the BMW Group here in South Carolina.

With such partners, we have become part of the fabric of this great community. This shows exactly what can be achieved when federal, state and local government work hand in hand with business. Look around you today: The results of this joint effort are the plant Spartanburg, its motivated associates and the growing communities around this site. We all are here today to open the next chapter to our successful partnership. Spartanburg has a special place within the BMW family.



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And for this very reason, I am pleased to announce that between 2014 and 2016 we are going to invest one billion dollars in this facility. This will allow Spartanburg to increase its capacity to 450,000 cars per year.

This means 50 percent more than today and these 150,000 additional cars is equal to a whole new plant. More importantly, Spartanburg will become the largest plant in our global production network. A new milestone in the history of the BMW Group. This expansion will also create 800 new jobs at Plant Spartanburg. By the end of 2016, we plan to have 8,800 associates working here. This will also open up new job opportunities for suppliers and continue to benefit the whole community around Spartanburg.

I'm certain you would all agree with me that this underscores the BMW Group's strong commitment to the US, to South Carolina, and to our associates here at this location. And I look to the future with confidence knowing that the BMW Group will continue to contribute to the economy of South Carolina and play a positive role in the future development of the region.

Today, BMW's total contribution is valued at 16.6 billion dollars. According to a new study from the University of South Carolina: every job held at this plant creates 3 others somewhere else in the region. This corresponds to more than 30,000 jobs and 1.8 billion dollars in labor income for South Carolina that would not exist otherwise.

Governor Haley, we look forward to further strengthening our partnership with you and I am certain you will continue to support our efforts. Starting today, Spartanburg will be building another member of the X family – cementing its role as Center of Competence of X vehicles. Allow me to present: the all-new BMW X4!



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I firmly believe that: The new BMW X4 will enhance the tremendous success of the X family in the premium mid-range segment. In April, we will unveil this new X4 to the public for the first time at the New York Motor Show.

Mr. Erlacher, I know I can count on you to master the ramp-up in premium style, ensuring the new X4 can be delivered to customers around the world from July on. And in the near future, a plug-in hybrid version of the BMW X5 will also be produced here. This vehicle will be high-tech with maximum fuel efficiency, setting another benchmark in the premium SAV segment. For us, that is Efficient Dynamics 2.0.

I have been asked many times: Why don't you offer a BMW X model beyond the BMW X5? And today, I'm happy to provide the answer to that question. We have decided to develop and build a totally new X model – the new BMW X7. I promise this SAV will also be highly fuel efficient while offering outstanding driving performance. It will be a true BMW. And of course, this being the Center of Competence for X models, the X7 will be produced here in Spartanburg.

At the BMW Group, just like our cars, we are never at a standstill. We are always looking far down the road ahead. It's this unrelenting passion that drives us. Here in the US, we started our journey with our core brand – the Ultimate Driving Machine.

For us, the USA is much more today:

- It is the second largest market for the BMW Group worldwide;
- It is the largest market for our brand MINI and
- It is the largest market for our brand Rolls-Royce.
- It is the second home of our Financial Services.
- It is one of the key markets for BMW Motorrad.



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- It is home to 493 BMW, MINI and Rolls-Royce dealers. Together with them and our direct suppliers, we employ nearly 70,000 people across this country.
- It is the largest market for our BMW M cars.
- And it will be a major market for our BMW i cars, if not the leading one.

On a personal note, I was proud to manage this plant for several years. I always look back with much fondness of my stay here. Through the Plant Spartanburg and the Great State of South Carolina, I learnt a lot about this great country and got to personally know a lot of terrific people. And it's thanks to these people and to you that I feel very much at home here in Spartanburg.

And I'm certain that my German colleagues who have worked in or passed through this plant feel the same. We have all learnt to appreciate America and its people. 20 years after opening this plant, I'm proud to say that: We at the BMW Group feel as if we are a real part of America. I think the most appropriate expression to convey my optimism about the future of Plant Spartanburg is to quote the State Motto of South Carolina: While I breathe, I hope. And may that hope for a brighter future for this region continue beyond our joint efforts today.



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**Harald Krueger, Member of the Board of Management, BMW Group,  
Production.**

Madam Secretary, Governor Haley, Distinguished guests,

The film we just saw, "World Class Production", highlights what makes BMW Spartanburg so special: People, Performance, Passion and Pride!

What stands out most for me is: people. It is the people who work here, every day, who bring this plant to life.

And many of you in this room have also contributed by supporting our presence here in the Great State of South Carolina. We are delighted to have you here today as our guests!

Madam Secretary, last November you traveled to Munich – I have very fond memories of your visit with us. In fact, your visit was an absolute highlight for all of us, including our trainees.

And without a doubt: Your arrival in a BMW i8 prototype is definitely the most spectacular entrance we have ever had at our vocational training center!

Training and qualifying our associates is key to our success. We are delighted, Madame Secretary, that you share our belief in education. Together with the great educational establishments here in the U.S. we have shown what learning can achieve.

Governor Haley, your ongoing support is not only appreciated but has made a considerable contribution to the BMW Group's success here. We are really proud to be part of this great state and look forward to further strengthen our relationship in the future. Another key to our success is: performance.



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In 1992 the BMW Group made the decision to start production here. Since then, the BMW Group has invested over US\$ 6.3 billion here, establishing Plant Spartanburg as the company's Center of Competence of X vehicles. This truly underscores the key role the U.S. market continues to have in our overall business development.

It also demonstrates the strength of the trust that we have built together over the years. This trust and the commitment the state of South Carolina has shown to us have made a tremendous contribution towards establishing BMW as the best-selling premium car brand in the world. South Carolina has proven to be a vital partner in our company's continued growth and success.

What does this success look like in numbers? Since 1994, more than 2.6 million vehicles have rolled off the assembly lines here. And the plant currently produces around 1,100 vehicles a day. Just last year, here in Spartanburg we built nearly 300,000 vehicles, making it the second largest production plant in our network.

A record year, underlying the commitment and dedication of our associates here.

Today, over 70% of Spartanburg's total production is shipped to more than 140 countries worldwide. And we are really proud that this plant annually exports vehicles valuing over US\$ 7.5 billion – which, according to the U.S. Department of Commerce, makes BMW the largest U.S. vehicle exporter by value to non NAFTA countries. "Freude am Fahren" – made in America!

The associates here can be proud of what they have achieved. Of course this level of export success can only be achieved if the right logistics infrastructure is in place. The opening of the new inland port in Greer is a recent example of this critical infrastructure. We are grateful that we can rely on the great support of Secretary Bobby Hitt, South Carolina Department of Commerce.





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A few weeks ago, the National Association of Foreign-Trade Zones (NAFTZ) honored BMW Manufacturing with the 2013 Exporter of the Year Award. This is by no means the last chapter of our success story. Plant Spartanburg has a bright future within our global production network.

I personally have some great memories of my time in Spartanburg. And I'm not just talking about the terrific steaks and warm hospitality I enjoyed here during the early days!

I was here, in this plant, on September 8, 1994, when the first American-made BMW, a 318i, rolled off the line. It is a moment I'll never forget. It made me so proud to work for such a great company and to have the privilege of working with such a great team here in America.

Back then, who would have thought that today, 20 years later, five different models made in Spartanburg would be exported around the world? In those days we were a small team, just a few hundred. Today that team has grown to around 8,000 talented people. Plant Spartanburg has contributed to strengthening the BMW Group's presence in the United States.

Of course a picture is worth a thousand words – here's a film to remind us of a few highlights long the journey so far. Showing Spartanburg's history in pictures, ends with new 20th anniversary branding logo – this video will be projected on the screen behind you. When we look around us today, we have achieved a great deal together in the last 20 years!

In honor of this special moment it gives me great pleasure to present our slogan: "20 years of driving performance". The anniversary logo will be projected on the screen behind and beside you when you reach this point in the speech. You don't need to do anything, just keep on talking and point to the new logo.



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We are proud – of the people who work here. It is their passion for excellence, which ensures that BMW cars from the United States excite and inspire customers all over the world. It is thanks to our associates that Plant Spartanburg is a role model within the worldwide BMW Group production network. We are honored to have so many friends here and immensely proud to call South Carolina our home away from home.