

AUTOMOTIVE
SUMMIT 2014



Green Mobility Changing the World

19 - 20 June 2014

Bitec Bangna, Bangkok

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International Strategies of Volkswagen and
its impact for the ASEAN region

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Director Manufacturing Engineering New Projects
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Agenda

- 1 Volkswagen Group presentation
- 2 The Volkswagen MQB (Modular Transverse Matrix) / MPB (Modular Production Matrix)
- 3 Volkswagen in ASEAN

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The Volkswagen Group – a global multiple Brand Company



Headquarter Wolfsburg, Germany

12 brands with more than **570.000** employees

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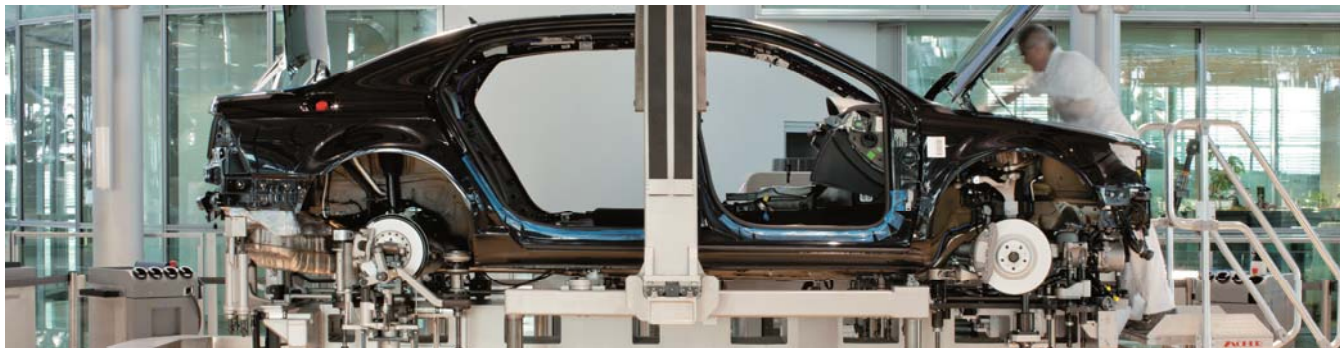
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The Volkswagen Group - Production Network



106 production sites in **27** countries producing **310** Models

Production volume in 2013 **9.728** Million Cars

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The Volkswagen Group – Production Sites



Thereof 22 in Asia

Without Contract Assembler

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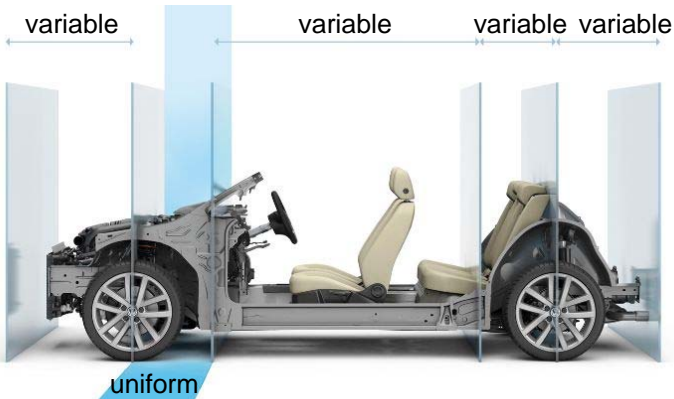
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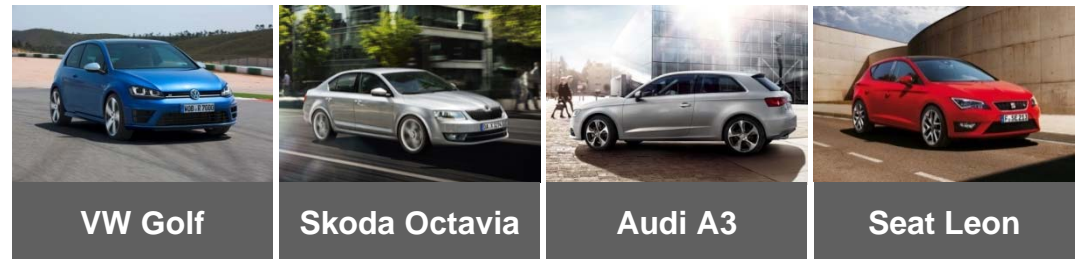
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The Volkswagen MQB (Modular Transverse Matrix)

Modularer-Quer-Baukasten (MQB)



Example of MQB-models



Conventional drive



Electric drive



Alternative/Regenerative



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The Volkswagen modular strategy helps to establish new technologies over all brands and segments

	2013			2014			
 Hybrid vehicle (PHEV)	 Volkswagen XL1	 Porsche 918 Spyder	 Porsche Panamera S E-Hybrid	 Audi A3 e-tron	 Volkswagen Golf PHEV		
 Battery vehicle (BEV)			 Volkswagen e-up!	 Volkswagen e-Golf			
 Compressed Natural Gas	 Audi A3 g-tron	 Volkswagen Golf TGI		 SEAT León TGI	 SKODA Octavia Sedan	 SKODA Octavia Combi	 SEAT León ST
 Ethanol ²⁾	 Volkswagen Saveiro	 Volkswagen Gol Rallye	 Volkswagen Fox Bluemotion	 Volkswagen up!	 Volkswagen CrossFox	 Volkswagen SpaceFox	

¹⁾ Market introduction of Volkswagen Group models with alternative drivetrains
²⁾ Developed for distribution in the Brazilian market



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The Volkswagen Modular Strategy – Product to Production

Product



- Modular assembly kits
- Standard design principles

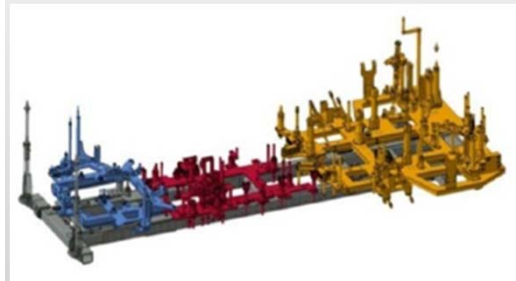


Production process



- Identical joining and assembly sequences

Production equipment



- Modular production equipment
- Standardized factories

»» The MQB enables us to standardize our production processes and production equipment

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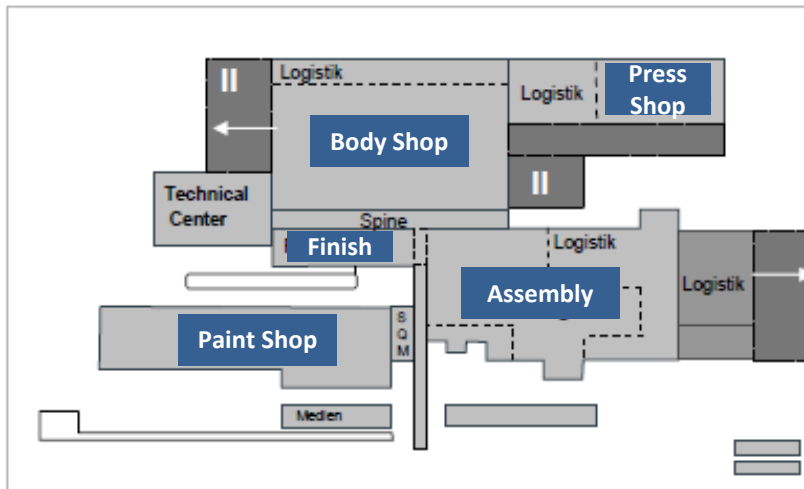
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Volkswagen Standard Factory



Modular capacity standards

Step I – 30 JPH

Step II – 60 JPH

Step III – 120 JPH

Optimised Layout

- Reduced time for sourcing decisions
- Inter-company competition drives up operating best practice
- Increased flexibility between plants

FAW-VW - Foshan



SVW - Yizheng



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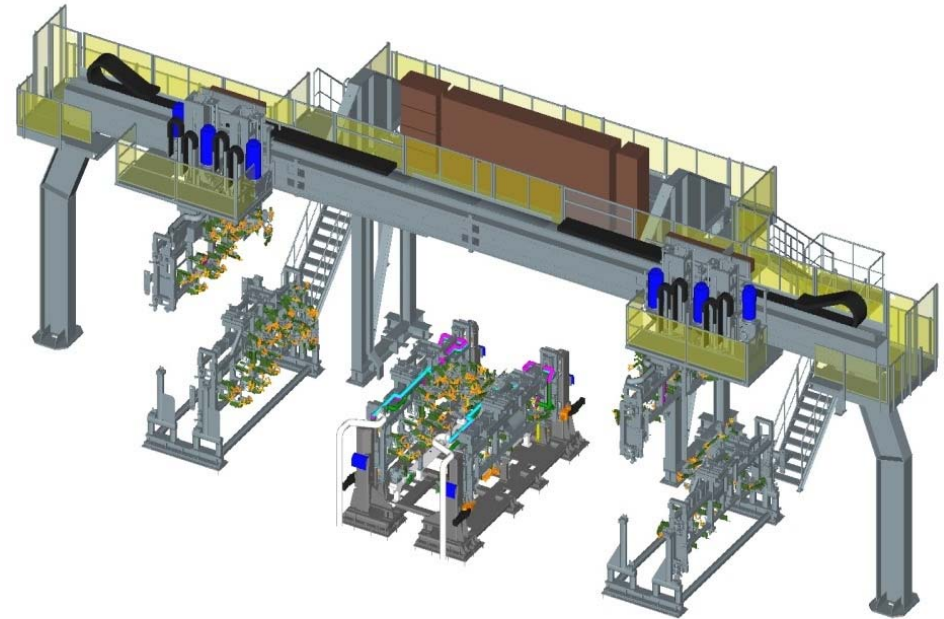
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Modular Production Matrix (MPB) – Body Shop Framer



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Modular Production Matrix (MPB) – Body Shop Framer

ŠKODA



Aufbau GEO-Station

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The Volkswagen modular strategy is essential to build-up new production plants with high frequency



-  1985 Shanghai (Anting)
-  1993 Changchun
-  2007 Chengdu
-  2008 Nanjing
-  2012 Yizheng (60 JPH)
-  2013 Foshan (60 JPH)
-  2013 Ningbo (60 JPH)
-  2015 Changsha



Status: 24. October 2013

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What is the Volkswagen strategy for the ASEAN region like?



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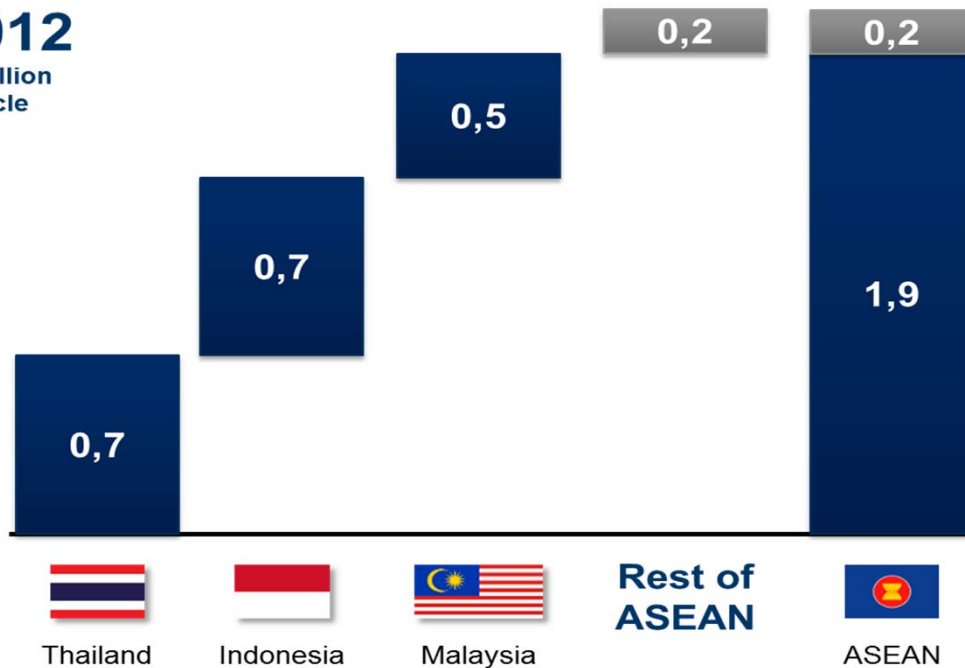
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ASEAN is a large market with a lot of potential, but it is also a highly competitive market

2012
In Million
vehicle



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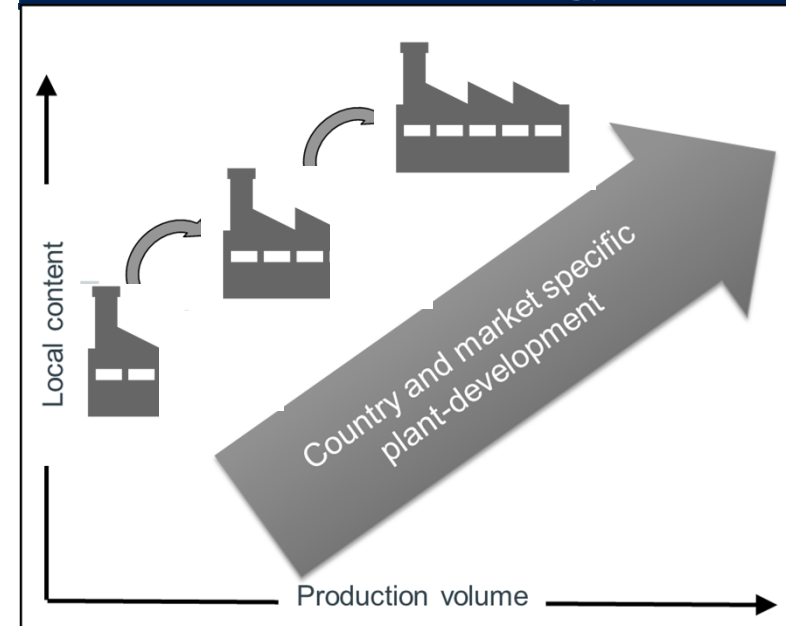
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ASEAN Market approach

Challenges

- From FBU to local production
- Local content requirements
- Extend dealer network
- Improve market share

Production strategy



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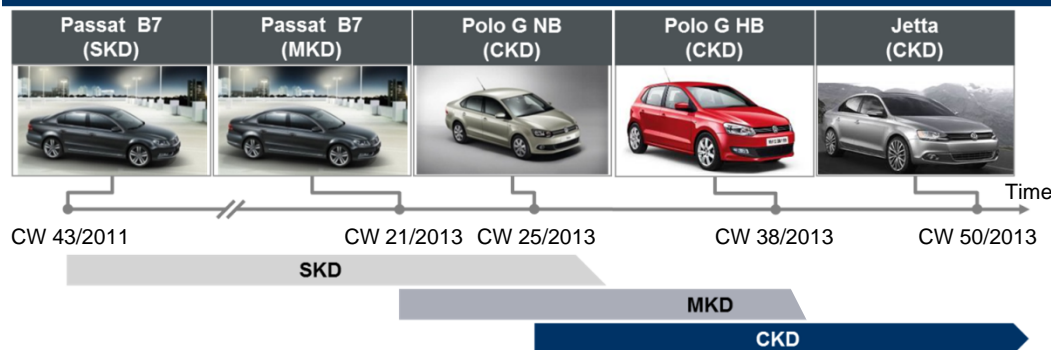
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Example for a step-by-step production concept with a contract assembler

Factory layout Pekan/Malaysia (DRB-HICOM)



SKD, MKD and CKD launches



- Local partner: **DRB-HICOM** (Contract assembler)
- Production 100% controlled by DRB-HICOM
- Common production with Suzuki and Mercedes
- 40% localization
- Capacity 40.000 veh./a. in 2 Shifts

SKD = Semi knocked down, MKD = Medium knocked down, CKD = completely knocked down

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Reasons why Volkswagen will be successful in ASEAN



Multi brands company



Technology



Product range



Modular strategy



Brand image



Global production network

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