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TRATON GROUP to expand presence in China

- **Scania to make a significant investment in its own production operation in Jiangsu province**
- **TRATON CEO Matthias Gründler: "The TRATON GROUP intends to be a global champion in all key markets. The construction of a Scania plant in China will move the entire Group one step closer to reaching this goal."**
- **China is to replace Brazil as Scania's largest single market by the end of the decade**

Munich, November 24, 2020 – The TRATON GROUP plans to further expand its presence in China, the world's largest commercial-vehicle market. As the next step in this effort, Scania is making investments in its own new commercial-vehicle production site in Rugao, a city in Jiangsu province that is located about 150 kilometers northwest of Shanghai. Series production is scheduled to start at the beginning of 2022. Scania's substantial investments in China over time will also include local research and development.

"The TRATON GROUP intends to be a global champion in all key markets. The construction of a Scania plant in China will move the entire Group one step closer to reaching this goal," said **Matthias Gründler, CEO of the TRATON GROUP**. China is the world's largest single market for commercial vehicles and generates about 40 percent of global sales. The market is dominated by national manufacturers. But demand for modern vehicles equipped with advanced technology is rising, the result of growing needs for efficient logistics and sustainable transports. "The technological demands being placed on commercial vehicles are growing around the world and are increasingly converging in international markets," Gründler said. "This trend is creating new opportunities for our brands and their state-of-the-art products."

Henrik Henriksson, the President and CEO of Scania, added: "Increasing the presence in the Chinese market is crucial for Scania and the TRATON GROUP's global growth." The new location in Rugao will be expanded step by step and will become a fully fledged unit in Scania's global production and supplier structure. "The goal is not only to make China our third industrial leg but also to create a regional center for sales to other Asian markets," Henriksson said. Scania is aiming for sales in China at the end of the 2020s of at least the same volume as that of Scania's currently single largest market, Brazil.

The development of Scania's own production and sales operation in China is an outgrowth of the company's acquisition of the Nantong Gaokai Auto Manufacturing Ltd., a Chinese company that meets the necessary local license requirements. The acquisition is creating new opportunities for the TRATON GROUP's brands in the important Chinese market.

MAN Truck & Bus has maintained a strategic partnership with Sinotruk, one of the largest manufacturers of commercial vehicles on the Chinese market, since 2009. MAN also holds a stake of 25 % plus one share in Sinotruk, an investment that enables MAN to participate in the Chinese market. In addition to the collaboration with Sinotruk in the volume segment, TRATON serves the small, yet growing market of premium trucks through the export of MAN vehicles to China.

Contact:

Julia Kroeber-Riel
Head of Group Communications & Governmental Relations
T +49 152 58870900
julia.kroeber-riel@traton.com

Matthias Karpstein
Business Media Relations
T +49 172 3603071
matthias.karpstein@traton.com

TRATON SE
Dachauer Str. 641
80995 Munich

www.traton.com

TRATON SE is a subsidiary of Volkswagen AG and a leading commercial vehicle manufacturer worldwide with its brands MAN, Scania, Volkswagen Caminhões e Ônibus, and RIO. In 2019, TRATON GROUP's brands sold around 242,000 vehicles in total. The Group's product range comprises light commercial vehicle, commercial vehicles and buses. The vehicles are manufactured by 29 production and assembly locations in 17 countries. The company had a workforce of around 83,000 worldwide across its commercial vehicle brands as of December 31, 2019. The Group seeks to transform the transportation system – with its products, its services, and its partnership with its customers.