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Volvo Cars becomes a truly global car maker with industrial presence in its three key continents
Industrial investment of around USD 500 million in a new car plant
Underlines Volvos commitment to the US market
Volvo Cars announced today that it is to build a brand new manufacturing facility in the US, fulfilling its ambition to be a truly global car maker, investing around 500 million dollars in a new plant and underscoring its long term commitment to the US market.
The company has drawn up a short list of potential locations and full details of the location of the new factory and the size of the investment will be announced at a later date.
The move means Volvo is now a global car manufacturer with an industrial footprint on all three key continents. It has two factories in Europe, two in China and the future plant in the US, which will be part of the Americas region that was announced in January. These developments form part of Volvos transformation that has been ongoing since 2010.
The transformation plan involves the creation of a global industrial footprint, the complete renewal of Volvos product range over the next four years, the introduction of a new modular vehicle technology, the development of world-first safety technologies, a new design language and a range of class-leading connectivity services.
Volvo Cars cannot claim to be a true global car maker without an industrial presence in the US. Today, we became that, said Håkan Samuelsson, Chief Executive and President. "The US is an absolutely crucial part of our global transformation and today's announcement makes it perfectly clear that Volvo is in the US to stay."
Volvo Cars has been doing business in the US since 1955 and this decision to invest in the US highlights Volvos long term commitment to the US market. The new plant also means Volvo will be able to meet and ultimately exceed its volume targets in the US, where it has a medium term ambition to sell 100,000 cars a year. It will help accelerate the introduction of build-to-order in the US as well as being an integral part of Volvos global manufacturing footprint, serving the US and export markets, and also help limit the impact of currency variations.
The US Volvo dealers are delighted with this announcement, said Chip Gengras, chairman of the Volvo dealer council in the US. "It clearly illustrates Volvo's long term commitment to the US market."
The new plant will create new jobs, providing security for its employees and their families. Car plants are also known to have significant multiplier effects on their local areas, injecting funds into neighbourhoods. As such, the new plant provides a boost for the economy of the state in which it is located.
Volvos US revival comes alongside strong growth in China and Western Europe. With plans to increase sales on all three continents, Volvo will be able to meet its medium term sales and profitability targets and clear a path towards even stronger growth in future.
Volvo Car Group in 2014
For the 2014 financial year, Volvo Car Group recorded an operating profit of 2,252 MSEK (1,919 MSEK in 2013). Revenue over the period amounted to 129,959 MSEK (122,245 MSEK). For the full year 2014, global sales reached a record 465,866 cars, an increase of 8.9 per cent versus 2013. The record sales and operating profit cleared the way for Volvo Car Group to continue investing in its global transformation plan.
About Volvo Car Group
Volvo has been in operation since 1927. Today, Volvo Cars is one of the most well-known and respected car brands in the world with sales of 465,866 in 2014 in about 100 countries. Volvo Cars has been under the ownership of the Zhejiang Geely Holding (Geely Holding) of China since 2010. It formed part of the Swedish Volvo Group until 1999, when the company was bought by Ford Motor Company of the US. In 2010, Volvo Cars was acquired by Geely Holding.
As of December 2014, Volvo Cars had over 25,000 employees worldwide. Volvo Cars head office, product development, marketing and administration functions are mainly located in Gothenburg, Sweden. Volvo Cars head office for China is located in Shanghai. The companys main car production plants are located in Gothenburg (Sweden), Ghent (Belgium) and Chengdu (China), while engines are manufactured in Skövde (Sweden) and Zhangjiakou (China) and body components in Olofström (Sweden).
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