Volvo Cars Selects South Carolina For Its First American Plant

Volvo Cars, the premium car maker, has chosen South Carolina as the location of its new USD500m factory, highlighting the attraction of the United States as a location for high technology manufacturing and providing a significant boost to South Carolina’s economy.

The new facility will have initial annual production of around 100,000 cars and be located in Berkeley County, close to Charleston.

It will make latest generation Volvo models for sale in the United States and for export. Construction will begin in early autumn 2015, with the first vehicles expected to roll off the assembly line in 2018.

Once completed, Volvo will be able to manufacture cars on three continents, underscoring its position as a truly global car maker. It already operates two plants in Europe and two in China.

The new US plant forms part of an ambitious medium term expansion plan to double global sales, boost market share and lift profitability.

“This new global industrial footprint and a complete product renewal forms the foundation for our growth and profitability targets,” said Håkan Samuelsson, president and chief executive.

An important factor in Volvo Cars’ renaissance will be the US market. Volvo Cars has been doing business in the US since 1955 and has a medium term target to sell at least 100,000 cars a year.
“Building a plant in the US is a reflection of Volvo Cars’ commitment to the US and the key role the US plays in our growth objectives,” said Lex Kerssemakers, senior vice president Americas.

The decision to choose Berkeley County was taken as a result of its easy access to international ports and infrastructure, a well-trained labour force, attractive investment environment and experience in the high tech manufacturing sector.

Volvo Cars estimates that the plant will employ up to 4,000 people in the longer term. It has been estimated that the multiplier effect of a car plant means that it can create between 5 and 7 new jobs for every job at a plant. On top of that, factories have beneficial effects on many more aspects of the local economy, from taxation income to consumer spending.

“The US remains one of the most dynamic economies in the world and Volvo Cars believes strongly in the benefits of investing and contributing to the markets in which it seeks to sell cars,” said Mr Kerssemakers.

Nikki Haley, Governor of South Carolina, said: “By bringing $500 million in new investment and 4,000 jobs to this community, Volvo’s presence and commitment to Berkeley County and the state will be felt for decades to come. We are proud to have this global leader in car manufacturing join and strengthen South Carolina’s automotive industry.”

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 26,000 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 company’s 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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Descriptions and facts in this press material relate to Volvo Cars’ international car range. Described features might be optional. Vehicle specifications may vary from one country to another and may be altered without prior notification.
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