Press release

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A booming automotive market: Bosch opens first smart factory in Thailand

Expansion of the company's manufacturing expertise in Southeast Asia

- 80 million euros invested in a second Bosch Mobility Solutions plant in Thailand
- 60 million euros to be spent on expanding pushbelt manufacturing in Vietnam
- Peter Tyroller, the member of the Bosch board of management responsible for Asia Pacific: "We continue to focus on sustainable growth in Southeast Asia"
- Thailand and Vietnam driving growth for Bosch in Southeast Asia

Rayong, Thailand – Thailand's automotive market is booming: in 2016, nearly two million cars were manufactured there, significantly more than in the U.K. or Italy. Bosch is responding to this rising demand. Following a one-and-a-half-year construction phase, the company is opening a new plant for injection technology in Hemaraj, 130 kilometers east of Thailand's capital Bangkok. It is the first smart factory in Thailand, and the second Bosch Mobility Solutions plant there. Prior to the opening ceremony, Peter Tyroller, the member of the Bosch board of management responsible for Asia Pacific, said: "Localization is a top priority at Bosch. The new plant will enable us to respond to growing automobile production in Thailand and to serve international as well as local automotive customers on the spot." The supplier of technology and services is focusing heavily on connected manufacturing at the new factory. Between 2015 and the end of 2017, Bosch will have invested some 80 million euros in total in the new smart factory in Thailand.

Bosch Industry 4.0 and R&D activities debut in Thailand

In a facility covering 10,000 square meters, injection valves, connection technology, knock sensors, and other components roll off the production line. Using an "active cockpit," manufacturing associates analyze the latest production

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data. This Industry 4.0 solution brings together a wide range of information in real time and helps increase competitiveness. The new location in Hemaraj also includes a research and development center, where some 60 associates work on the further development of gasoline injection systems. “It is our first R&D center in the country, and we are especially proud of this,” Tyroller says. He adds that the country of 68 million inhabitants is a gateway to Southeast Asia as a business location, which underscores Thailand’s strategic importance for the Bosch Group in Southeast Asia and worldwide. By 2020, it is planned to create 800 new jobs in total in Hemaraj – 300 associates are already employed there. Bosch’s total workforce in Thailand currently stands at 1,350 associates.

Expansion of manufacturing in Vietnam

In the year ahead, Bosch plans to expand its manufacturing activities in Vietnam as well. Since 2011, Bosch has been manufacturing pushbelts for continuously variable transmissions in Dong Nai, near Ho Chi Minh City. Such transmissions work without any fixed shifting points, ensuring a smooth ride. Demand in Asian cities is rising more and more, as this kind of transmission is suited to stop-and-go traffic. Its compact design also means that it fits into small urban vehicles. “We are investing some 60 million euros to convert the Dong Nai plant into a smart factory and increase capacity,” Tyroller said at the ceremony to mark the tenth anniversary of the Bosch location in Vietnam. This will bring the total invested in the manufacturing site in Vietnam from 2011 to the end of 2018 to more than 320 million euros.

Over the past ten years, Bosch has experienced strong growth in Vietnam. Although present in Vietnam since 1994, the company did not open its first branch operation in Ho Chi Minh City until early 2008. In 2010, it became the site of the company’s first software development center in Southeast Asia. In July 2014, an additional automotive engineering center followed. The plant in Dong Nai manufactured its 20 millionth pushbelt in March of this year. The location also includes a vocational training center for technical trades, modeled on Germany’s dual education system. Bosch is the largest German investor in the country in the fields of technology, manufacturing, and R&D. The company employs more than 3,100 associates in Vietnam, more than 40 percent of whom are researchers and engineers.

Thailand and Vietnam driving growth in Southeast Asia

“Southeast Asia is prospering. We continue to focus on sustainable growth in the region,” Peter Tyroller says. To support growth, Bosch is investing 120 million euros in Southeast Asia in the current year, a year-on-year increase of 50 percent. Investments on a similar scale are planned for 2018, and a large portion will go to Thailand and Vietnam. Business in the two countries is doing

particularly well. “Thailand and Vietnam are key forces driving Bosch’s favorable development in Southeast Asia” (sales in 2016: 305 million euros in Thailand; 86 million euros in Vietnam; 770 million euros in Southeast Asia).

Bosch in Southeast Asia

Bosch has been operating in Southeast Asia since 1919. Today, it employs approximately 7,400 associates in ten ASEAN member states: Singapore, Malaysia, Philippines, Indonesia, Thailand, Vietnam, Brunei, Cambodia, Laos, and Myanmar. In the years ahead, the workforce is set to grow further. The company has had manufacturing operations in the region for more than 20 years, with eight manufacturing sites in total. In Malaysia, for example, Bosch produces power tools, car multimedia products, and steering systems, while in Thailand, the company manufactures packaging machinery and gasoline injection systems. Southeast Asia’s importance within the Bosch Group’s global R&D network also continues to grow. In Singapore, Vietnam, Thailand, and Malaysia, the company has been focusing on local R&D activities for a number of years.

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The Bosch Group is a leading global supplier of technology and services. It employs roughly 390,000 associates worldwide (as of December 31, 2016). The company generated sales of 73.1 billion euros in 2016. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT company, Bosch offers innovative solutions for smart homes, smart cities, connected mobility, and connected manufacturing. It uses its expertise in sensor technology, software, and services, as well as its own IoT cloud, to offer its customers connected, cross-domain solutions from a single source. The Bosch Group’s strategic objective is to deliver innovations for a connected life. Bosch improves quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is “Invented for life.” The Bosch Group comprises Robert Bosch GmbH and its roughly 440 subsidiaries and regional companies in some 60 countries. Including sales and service partners, Bosch’s global manufacturing and sales network covers nearly every country in the world. The basis for the company’s future growth is its innovative strength. At 120 locations across the globe, Bosch employs some 59,000 associates in research and development.

The company was set up in Stuttgart in 1886 by Robert Bosch (1861-1942) as “Workshop for Precision Mechanics and Electrical Engineering.” The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant upfront investments in the safeguarding of its future. Ninety-two percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The majority of voting rights are held by Robert Bosch Industrietreuhand KG, an industrial trust. The entrepreneurial ownership functions are carried out by the trust. The remaining shares are held by the Bosch family and by Robert Bosch GmbH.

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