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A premium bus factory inaugurated in China

Scania and Higer inaugurated a new, state-of-the-art bus and coach factory in Suzhou, China. The new factory will exclusively build Scania Touring and Scania-Higer dual-branded high-end buses and coaches.

Scania and Higer started to cooperate in 2006. “Now, ten years later, the cooperation has grown into a successful project, although it has developed differently from what we first thought it would be. I think both parties expected that China would be the main market for our cooperation, but, as it has turned out, most of our joint products have been sold overseas. To date, we have sold close to 2,500 premium coaches to over 40 overseas markets and we are the leading exporter of premium coaches out of China,” says Scania’s President and CEO Henrik Henriksson.

With the financial crisis in 2008, demand for high-end coaches vanished in the Chinese market, a trend reinforced by the extensive investment in high-speed trains over the following years. But with a growing and increasingly resourceful Chinese middle class, demand for long-distance travel by high quality buses and coaches is on the rise again.

In partnership, Scania and Higer are the leading exporter of premium coaches from China, and the new factory will strengthen that position, as well as sales of premium coaches in the Chinese market.

“So, adding the good reputation of our products abroad and the potential of China, we anticipate much bigger volumes. In order to be able to meet these volumes, and in order to improve the quality even further, this modern factory comes at the right time,” Mr Henriksson said.

The Scania-Higer cooperation is purely a commercial partnership, where Higer provides bodybuilding expertise, while Scania supplies the chassis and the experience of international customer demands. Jointly with Higer, Scania’s team of stylists gives the coaches a distinct Scania character.

The 250 factory workers in the new Suzhou facility will be working with the same efficient production processes, integrated quality stations and continuous improvements as there are in Scania’s other production units for trucks and buses around the world.

The current capacity of the new Chinese factory is 1,000 premium coaches per year, with the potential capacity for as many as 2,000.

For further information, please contact Hans-Åke Danielsson, Press Manager, tel. +46 8 553 856 62

Scania is a part of Volkswagen Truck & Bus GmbH and one of the world's leading manufacturers of trucks and buses for heavy transport applications. Scania is also leading provider of industrial and marine engines. Service-related products account for a growing proportion of the company's operations, assuring Scania customers of cost-effective transport solutions and maximum uptime. Scania also offers financial services. Employing some 44,000 people, the company operates in about 100 countries. Research and development activities are concentrated in Sweden, while production takes place in Europe and South America, with facilities for global interchange of both components and complete vehicles. In 2015, net sales totalled SEK 95 billion and net income amounted to SEK 6.8 billion. Scania press releases are available on www.scania.com