



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

The Global Business Environment LCBB4005

Environmental Analysis of an industry- BMW

by Constantin Gabriel Tacea (2122369)

Module Coordinator: Rexion Nting

Contents

Helping hand in pandemics.....	3
GAUTENG- Health department.....	3
Measures imposed by BMW	4
BMW Steps during COVID period	4
The launch of new products during COVID 19 crisis	4
During the COVID 19 period – sustainability 2016.....	4
Bringing a beloved model back to life 2018	6
Global BMW sales	7
In 2022 the BMW factories close	9
Semi-conductors crisis.....	9
The export of cars on railways in China.....	9
The sales of BMW in Rusia	10
Conclusions	10
REFERENCES.....	12

As discussed in assessment 1 (Environmental Analysis of Automobile Industry- BMW) at the end of year 2021, BMW it came out leader on automobile market- The pandemic did not affect BMW in terms of sales and he was helping hand in pandemics.



Helping hand in pandemics

GAUTENG- Health department

The global COVID 19 pandemics had devastating effects in South Africa, and BMW Group did not remain indifferent and gave a helping hand for 9 hospitals, 4 clinics and facilitated the emergency system.

By the donations made during the pandemics, BMW came to support its customers, colleagues and partners.

BMW South Africa decided to lend 17 cars BMW X3 brand for the Red Cross. Thanks to this donation, it facilitated the transport to the poor and marginalized communities that were severely affected by COVID 19.

The partnerships of this time that came to support and fight against COVID 19 are dedicated to the well-being of population.

In cooperation with the German government, it assured investments of up to 75 million to help the sanitary system.

Measures imposed by BMW

Because of COVID-19 pandemics, the BMW museum and BMW showroom imposed safety measures in their precincts. They imposed the wearing of safety mask, the respect of hygiene norms, the guided tours were adjusted to the safety measures, the employees were trained and they were provided with all the facilities for the respect of hygiene.

BMW Steps during COVID period

In a first stage, BMW recorded losses in the second quarter of year 2020, which represented the first loss since 2009. At the end of year 2020, BMW reported the decrease of deliveries and declared that its profit would be affected.

After the accommodation period, when the activity was suspended, the sales were reduced, they assured first the safety and health of employees, BMW resumed its ordinary activity. In China, they decided to increase investments, they reopened the museums, showrooms, relaunched the new models and focused on the launching on the market of many sustainable electric models.

The launch of new products during COVID 19 crisis

During the COVID 19 period – sustainability 2016

Covid affected the sales of BMW cars, because of restrictions imposed against COVID 19, but the Bavarian Group was optimistic and optimistically worked and resumed activity reaching the objective before the pandemics, that of being leader on the market.

The increase was based on sales on the largest car market of the world, China, followed by slight increases in Europe and USA.

While the world economy got used to the crisis generated by COVID 19, the sales on the automobile market resumed their activity and growth.

Following the unpleasant event, the demand of sustainable automobiles has increased and we notice a change of population attitude about electric models. Also, a factor which led to the increase in purchase of these models was because they have a closer price to the price of classical cars.

Germany allotted about 3 billion Euros for the improvement of infrastructure for feeding electric cars and took measures that all gas stations equipped with a charging point for electric cars. Practically, the state was with the production and sale of sustainable models and BMW took advantage of the opportunity provided by the state.

The country that produces BMW came to the rescue of production and purchase of electric cars also by reducing the VAT from 19 to 16%

In 2016, before the pandemics, we assisted the launching of the first electric model from BMW range, called i3. Although it was a world obstacle, the pandemics did not stop the launch of sustainable products, but was an impetus to a cleaner world.

As I said in Assessment 1 'Environmental Analysis of Automobile Industry – BMW', 'although the the Bavarian Group faced supply problems, and the pandemics put its imprint on the performance of BMW Group, however, by the operational power and the varied range of products it had results above the competitors. The company based in Munchen revealed that the electric products represented the advantage of increased sales. In 2021, Pieter Nota, member of the Management Board of BMW AG and head of Group sales said that they sold over 100,000 automobiles 100% electric and about 220,000 hybrids. On the other hand, Mercedes-Benz delivered below 100,000 electric cars and Audi about 80,000 electric cars.' (Tacea C.G., Environmental Analysis of Automobile Industry – BMW, 2022, pp 9) .

For the year 2022, BMW set the same purpose to exceed its limits and increase the range of exclusively electric products, and proposed to double its sales of this type of product compared to the last year.

In 2021 China recorded top sales in premium car segment, recorded 846,237 BMW vehicles and MINI and over 21,000 electric models BMW iX3. They increased sales by 11% in 2021 in South Korea.

In SUA, in 2021, they increased by 20% the sales of BMW, reaching the equality of the year before the COVID 19 pandemics

crisis. Out of total sales, the electric models represented 60% of total sales.

	2021	% Change
Europe	948,087	+3.9%
* Germany	267,917	-6.8%
Asia	1,065,141	+8.2%
* China	846,237	+8.9%
Americas	450,062	+18.9%
* USA	366,574	+19.5%

In Europe, the sale of BMW and Mini cars increased, in Belgia for the first time the BMW brand was leader on Belgian car market. In the Netherlands, BMW iX3 was the bestselling electric car.

Bringing a beloved model back to life 2018

The BMW 8 Series was loved by BMW users between 1989 and 1990, as long as it was produced - a unique model at the time and rarely seen at the time.

The 1990s did not focus on Euro emissions and regulations and were not regulated due to a lack of technology., the engines were big, the 8 series being an exclusively sports car.

In its few years, the BMW 8 Series has sold 30,000 units, but production has been halted due to high fuel consumption.



In 2018, BMW decided it was time to bring the 8 Series back to life, in a new model with a different design, advanced technology and one of the most powerful engines. A decision designed by BMW to attract another category of customers, different from the customers of the 6 series. In order for this strategy to be feasible, BMW stopped the production of the 6 series.

DELIVERIES OF BMW VEHICLES BY MODEL VARIANT ^{1,2}

in units	2021	2020	Change in %	Share of BMW deliveries 2021 in %
BMW 1 Series / BMW 2 Series	265,964	268,915	- 1.1	12.0
BMW 3 Series / BMW 4 Series	490,969	420,295	16.8	22.2
BMW 5 Series / BMW 6 Series	326,212	322,457	1.2	14.7
BMW 7 Series / BMW 8 Series	62,628	66,728	- 6.1	2.8
BMW Z4	14,778	14,982	- 1.4	0.7
BMW X1 / X2	311,928	304,270	2.5	14.1
BMW X3 / X4	414,671	347,565	19.3	18.7
BMW X5 / X6	240,504	206,774	16.3	10.9
BMW X7	54,957	48,693	12.9	2.5
BMW i (iX, i3 and i8)	31,179	28,162	10.7	1.4
BMW total	2,213,790	2,028,841	9.1	100.0

¹ ↗ Consumption and carbon emissions data

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2021: 651,236 units, 2020: 602,247 units).

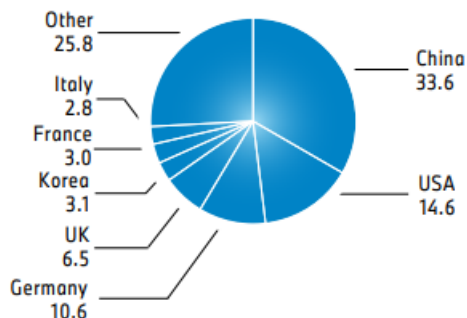
Despite the COVID 19 pandemic, Series 8 was successful among buyers and reached the figures expected at the time of the decision to revive the BMW 8 Series.

Global BMW sales

The health crisis and the semiconductor crisis have taken hold in the car industry, but BMW has succeeded to face the challenges.

BMW GROUP — LARGEST AUTOMOBILE MARKETS 2021

as a percentage of sales volume



In 2021, BMW sold 9.1% more car products than in 2020, delivering 2,213,790 cars.

The success was established by the new models, attractive, sustainable and performance.

Although Trump has established new trade policy measures and increased customs duties on car imports by 20%, the United States remains loyal to the BMW brand, being the second country to buy BMW after China and the parent country of BMW being third in BMW's top sales.

In the US, the BMW X was a sales leader and accounted for 60% of US car sales.

In China, it was recorded a new record in 2021, with a total of 846,237 car sales; furthermore, the electric model had an increase of 69.6%. At the moment, two factories in China have been closed due to a new wave of COVID 19, but this does not prevent the evolution of BMW, they communicate that the health of employees is the most important factor. At the same time, rail transport to China via railways passing through Russia has been canceled due to the current Russian-Ukraine war. These two new events can make their mark on 2022 car sales.

In the domestic market, in Germany, the electric models reached 27,248 new car registrations.

Belgium reached a historic first, as BMW was the overall market leader in Europe and in the Netherlands, the BMW iX3 was the best-selling premium electric car.

BMW GROUP DELIVERIES OF VEHICLES BY REGION AND MARKET ²

in 1,000 units	2021	2020	2019	2018	2017
Europe	949.1	913.6	1,081.6	1,097.4	1,101.9
thereof Germany	266.8	285.0	330.5	310.6	296.5
thereof UK	164.3	163.2	233.8	236.8	242.4
Americas	451.7	379.7	472.9	457.1	456.1
thereof USA	368.0	307.9	375.7	355.4	358.8
Asia ¹	1,067.9	986.5	930.8	871.8	847.7
thereof China ¹	847.9	778.4	724.7	635.8	595.0
Other markets	52.8	45.4	52.2	59.9	59.3
Total¹	2,521.5	2,325.2	2,537.5	2,486.1	2,465.0

¹ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 538,612 units; 2018: 455,581 units; 2017: 385,705 units).

² Retail vehicle delivery data presented for 2020 and 2021 is not directly comparable to such data presented for previous years. For further information on retail vehicle delivery data, please see [Comparison of Forecasts with Actual Outcomes](#).

³ [Consumption and carbon emissions](#).

In the latest press release from the BMW Group, through spokesman Nicolas Peter, a member of the Board of Directors, BMW Finance, said that the year 2021 was "very successful" and they performed in all segments as planned and established by the objectives set; Consequently, the financial figures reflect the results.

In terms of global sales, they were not significantly reached in 2020 either, but in 2021 they returned to the figures before COVID 19.

BMW has reached all expectations, both those imposed by the EU on CO2 emissions and those imposed by the BMW customer, through the variety of offers.

In terms of global sales, they were not significantly reached in 2020 either, but in 2021 they returned to the figures before COVID 19.

BMW has reached all expectations, both those imposed by the EU on CO2 emissions and those imposed by the BMW customer, through the variety of offers.

In 2022 the BMW factories close

Although it started the year 2022 on the right foot, being leader on sales market and overcoming the COVID-19 pandemics, in March 2022, BMW decided that two of its big factories in the world would be temporarily closed.

Because of a new core of COVID 19, BMW- Brilliance Auto Group from China decided to close the factories from Shenyang. Not only the production of cars was stopped, but also the production of engines and the research-development activity was suspended. Apart from the major tragedy produced, one factory from Dadong is used for the supplementary production of cars. There they produce electric cars IX3, Sedans Series 1 and the bestselling BMW vehicle in China, the Series 5. The second factory in China, from Tiexi produces: X1, Series 1, Sedan X2, Series 3 SWB & LWB.

In the graphs of total sales generated in 2021, the production in China was a very important factor. BMW and BMW Brilliance Auto Group signed in February 2022 an agreement for increasing the production up to 75%, in 2021 they built over 700,000 cars.

The decision of BMW to stop production was influenced by the decision taken by the state from North-East of China, as a strict measure for the fight against the virus.

Semi-conductors crisis

2022 came with war on the European continent, which shattered the economic normality.

BMW had a word to say and decided that for a period the production of BMW Z4 and BMW G30 was not timely and would be stopped.

The reason for which the production was suspended was the war between Russia and Ukraine. The semi-conductors crisis and the lack of important elements in Ukraine led to the decision to stop the manufacturing of these types of cars. The employees will go into technical unemployment, will work from home or will take leave, without knowing when the activity would be resumed.

The export of cars on railways in China

Following the War, the Bavarian Group made the decision to suspend the export of cars through the railways to China.

In 2021, BMW delivered to China over 800,000 cars BMW and Mini, and now BMW has stopped any railway transport which passes through Russia.

The sales of BMW in Rusia

In Russia and Ukraine there are about 49 production units, BMW stopped production in the two countries and suspended the export of cars to the Putin's country. In 2021, the sale of BMW brand increased by a 10% in Russia.

Conclusions

BMW Group was not destroyed during the Covid crisis even by the following crisis the war between Russia and Ukraine, the Bavarian Group reaching an indubitable level.

Indestructible, modern, high-performance and innovative, the BMW Group shines ahead of its competitors. It is the only car company that had successive increases during the COVID pandemic and the only company that was not bought, being an independent and safe player.

Marketing strategies and investments in research and development have made their mark on BMW brand sales.

In addition, BMW is focusing on the production of sustainable, electric models, thus offers confidence and aims that, by 2030, half of the BMW products globally delivered will be electric. BMW says "The future is electric."

In short, the BMW Group has achieved historic performances; the health and semiconductor crises have not had a significant impact, BMW being the clear demonstration that there is performance in times of crisis and economic stalemate. That said, BMW has seen sales growth over the previous year



Der BMW 850i: Kauf, Finanzierung oder Leasing – Ihr BMW Händler ist der richtige Partner. BMW in Btx *20900 #



for the full range of products, including MINI and Rolls-Royce. The leader on the international car market was BMW Group and in 2021 the company doubled its electric car sales by 133.2%.

BMW impresses with its goals for the coming years, aiming for sustainability through the promotion, sale and production of electric models and the desire to support women through its strategy to increase the female share of leadership positions.

REFERENCES

1. Bmw.co <https://www.bmw.co.za/en/topics/fascination-bmw/corporate-social-investment/covid-19-response.html> [Accessed 29.04.2022]
2. Automotive News, As daily COVID infections continue rising in Shanghai, city denies lockdown rumors, 2022, <https://www.autonews.com/china/daily-covid-infections-continue-rising-shanghai-city-denies-lockdown-rumors> [Accessed 29.04.2022]
3. BMW welt https://www.bmw-welt.com/content/dam/grpw/websites/bmw-welt_com/bmw_welt_neu/startseite/besucherinformationen/BMWGroup_Hygieneguidelines.pdf [Accessed 29.04.2022]
4. BMW Group, PRESS RELEASE, PRESSCLUB GLOBAL , 2022 <https://www.press.bmwgroup.com/global/article/detail/T0364013EN/electro-offensive-and-number-one-in-premium-segment-bmw-group-posts-strong-sales-for-2021?language=en> [Accessed 29.04.2022]
5. BMW Blog, BMW Group sold 2,521,525 cars in 2021 to set new sales record <https://www.bmwblog.com/2022/01/12/bmw-group-sales-record-2021/> [Accessed 29.04.2022]
6. Brands Global, BMW and Mini Brand Sales by Country and Models, 2022 <https://www.best-selling-cars.com/brands/2021-full-year-global-bmw-and-mini-brand-sales-by-country-and-models/> [Accessed 29.04.2022]
7. BMW Management report (BMW Group Report 2021) <https://www.bmwgroup.com/en/report/2021/downloads/BMW-Group-Management-Report-2021-en.pdf> [Accessed 29.04.2022]
8. A.PEDONE, J.DEUTCH, A Domestic Content Rule for Electric Vehicle Lithium-Ion Batteries Will Protect U.S. Jobs, 2021 <https://www.jstor.org/stable/resrep34663> [Accessed 30.04.2022]
9. BMW Group 2021 <https://www.bmwgroup.com/en/report/2021/index.html?msclkid=7f80b617c74e11ec9c87f2e38ff5ecec> [Accessed 29.04.2022]
10. BMW Blog, BMW Z4 Roadster Will Reportedly Be Discontinued In 20252022, <https://www.bmwblog.com/2022/02/17/bmw-z4-roadster-discontinued-2025-rumor/> [Accessed 30.04.2022]
11. Automotive News , BMW's European production takes big hit from Ukraine crisis supply disruption, 2022 <https://europe.autonews.com/automakers/bmws-european-production-takes-big-hit-ukraine-crisis-supply-disruption> [Accessed 30.04.2022]
12. CNBC, BMW, Audi suspend shipments by train to China due to Ukraine war, 2022 [BMW, Audi suspend shipments by train to China due to Ukraine war \(cnbc.com\)](https://www.cnbc.com/2022/04/07/bmw-audi-suspend-shipments-by-train-to-china-due-to-ukraine-war.html) [Accessed 30.04.2022]
13. Automotive News, [BMW's European production takes big hit from Ukraine crisis supply disruption | Automotive News Europe](https://europe.autonews.com/automakers/bmws-european-production-takes-big-hit-ukraine-crisis-supply-disruption), 2022 <https://europe.autonews.com/automakers/bmws-european-production-takes-big-hit-ukraine-crisis-supply-disruption>
14. BMW.CO <https://www.bmw.co.uk/en/all-models/8-series.html> [Accessed 30.04.2022]

15. Automotive News, BMW said to drop plans for Russia factory, 2022
<https://europe.autonews.com/automakers/bmw-said-drop-plans-russia-factory> [Accesed 01.05.2022]
16. The pictures references – BMW <https://www.bmw.co.uk/>
17. The table references – BMW Group Report 2021
<https://www.bmwgroup.com/en/report/2021/downloads/BMW-Group-Management-Report-2021-en.pdf>