

ISUZU Becomes the First Japanese Automaker
to Produce Medium and Heavy-Duty Buses in China
Line-Off Ceremony held in Guangzhou

Guangzhou Isuzu Bus Co., Ltd. (Guangzhou Isuzu), a joint venture company established by Isuzu Motors Limited (Isuzu) and Guangzhou Automobile Group Co., Ltd. (Guangzhou Automobile; Guangzhou, Guangdong Province, People's Republic of China) has begun to manufacture medium and heavy-duty buses. This development makes Isuzu the first Japanese automobile manufacturer to produce completed medium and heavy-duty buses in China. Today, the line-off ceremony took place at the Guangzhou Isuzu plant with the attendance of more than 500 guests including officials from the governments of China, Guangdong Province and Guangzhou City as well as related parts suppliers and fleet users.

Guangzhou Isuzu was established in February 2000 with financing of 49% from Isuzu and 51% from Guangzhou Automobile. The new company's production plant, which features state-of-the-art bus production line facilities, is located inside the plant of Guangzhou Bus, a bus-manufacturing subsidiary of Guangzhou Automobile. The total investment in the new company's facilities currently stands at US\$29.9 million. Guangzhou Isuzu is producing three Isuzu Bus series: large-sized sightseeing bus, the Gala series; the medium-sized sightseeing bus, the Gala-Mio series; and the heavy-duty city bus, the LT series. The plan calls for the production of 100 buses during 2001, rising to 1,000 units annually by 2004.

At present, with the Chinese economy continuing to grow rapidly and the highway network expanding across the nation, the demand for highway buses is increasing apace. Guangzhou, in particular, as a major economic hub of China's coastal region, and with high levels of road traffic to and from Hong Kong, is a province where the demand for sightseeing buses is expected to expand further in the future.

Guangzhou Isuzu, which has been designated as one of the priority companies by Guangzhou City Government, is planning to raise the local content ratio to more than 40% mainly on body-related parts by September of this year. The company is aiming to achieve a further increase to 50% during 2002.

In 1985, Isuzu became the first Japanese automaker to begin local production of light-duty trucks in China when it started manufacturing the N-series Light Duty Trucks at Qingling Motors Co., Ltd. in Chongqing, Sichuan Province. At present, Isuzu jointly produces approximately 50,000 light-duty trucks, pick-up trucks and multi-purpose vehicles with Qingling Motors and Jiangling-Isuzu Motors in Nanchang, Jiangxi Province. Through the joint production of modern buses with Guangzhou Automobile, Isuzu strengthens its presence in the growing Chinese automobile market, where the world's major automakers compete fiercely.

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