

Sinotruk drives Central Asian growth

By ZHUANTI
zhuanti@chinadaily.com.cn

China National Heavy Duty Truck Group Co, the country's largest heavy-duty truck exporter, is eyeing up fresh opportunities from the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiatives and is striving to make a breakthrough in the Central Asian market, said company executives.

"Sinotruk will embrace new opportunities of cooperation with Central Asian countries as the country pushes forward the Belt and Road strategy," the company chairman Ma Chunji told China Daily.

The Belt and Road Initiative was put forward by President Xi Jinping during his visits to Kazakhstan and Indonesia in 2013.

Founded in 1956, Sinotruk produced the first heavy-duty truck of the People's Republic of China in 1960.

In 2007, Sinotruk was listed on the Hong Kong Stock Exchange. In 2009, it established a long-term strategic partnership with German truck maker MAN, with the latter buying 25 percent of its shares for \$783.5 million. Sinotruk obtained a range of advanced technologies, including engine technology, from

Sinotruk will embrace new opportunities of cooperation with Central Asian countries as the country pushes forward the Belt and Road strategy."

Ma Chunji, China National Heavy Duty Truck Group Co

its German partner.

Sinotruk boasts four brands — Sitrak, Howo, Steyr and Hohan — that cover more than 3,000 vehicle types, the most among any Chinese truck maker, according to the company.

In 2014, Sinotruk exported 34,000 vehicles, accounting for nearly 20 percent of its total sales, according to statistics from the General Administration of Customs. The company's export revenue surpassed 9 billion yuan (\$1.45 billion), accounting for about 13 percent of its total revenue, statistics showed.

In the first quarter of this year, Sinotruk sold 43,000 vehicles in the domestic market, including 25,000 heavy-duty trucks, which increased its market share by 1.66 percent, compared with a 33 percent drop of the overall sales of heavy-duty trucks across the country.

The company also exported 10,035 heavy-duty trucks in the first quarter, up 8 percent year-on-year. During the past 60 years, Sinotruk has stuck to its "going out" strategy and made great efforts to tap into overseas markets.

"In the context of globalization, Sinotruk should seek an international strategy so that the company can sustain and expand the achievements made through industrial restructuring and reform," Ma said.

Liu Wei, deputy general manager of Sinotruk, said the company has established 40 overseas representative offices and cooperates with more than 160 dealers.

"Our products have won recognition from not only customers in Africa, South America, Central Asia and the Middle East but also those in developed countries including Ireland and New Zealand," said Liu, who is in charge of the company's overseas operations.

"The territories of the five Central Asian countries were important sections of the ancient Silk Road, which played a significant role in promoting exchanges between Asian and European countries," he said.

"With the implementation of the Belt and Road Initiative and the

accelerated development of the Free Trade Area of the Asia-Pacific, we will attach greater importance to the Central Asia market and strive to make breakthroughs in tapping into the market," he added.

The Central Asian market is one of Sinotruk's most important overseas markets, Ma said. The company has established a sophisticated trade network that covers vehicle sales, after-sale service, parts supply and image building in the region, Liu said.

Sinotruk has built four representative offices in the region and sold more than 15,000 vehicles to local customers.

Since 2011, Sinotruk has exported more than 8,000 heavy-duty trucks to Kazakhstan, which contributed to local urban construction and industrial development. The company's Howo brand won recognition from local customers and has become a symbol for Chinese heavy-duty trucks.

With the introduction of new products, including the Howo-T7H, V7G and T5G, more and more dealers and customers have shown interest in the company's trucks.

Sinotruk is negotiating with local manufacturers to open a knocked-down factory in the country. A memorandum of understanding on the issue was signed during Premier Li Keqiang's visit to the country in December last year.

In Uzbekistan, Sinotruk's 4S shop is the largest in the local market. Since 2011, the company has exported nearly 2,000 heavy-duty vehicles to the country. The company started selling Compressed Natural Gas dump trucks to customers in the country in 2013 and has sold more than 300.

In Turkmenistan, more than 3,000 Howo-branded heavy-duty trucks are in use.

In Kyrgyzstan and Tajikistan, Sinotruk has started offering heavy-duty trucks with engines that meet Euro IV emission standards at the request of local governments.

"As the largest Chinese manufacturer of heavy-duty trucks, Sinotruk will continue to provide high-quality products and service for Central Asian customers," Ma said.



Visitors check Sinotruk's vehicles displayed at a construction and machinery exhibition in Russia in June. PHOTOS PROVIDED TO CHINA DAILY



Heavy duty trucks produced by China National Heavy Duty Truck Group Co ready for delivery to Kazakhstan.

Angola special

Progress in China-Angola cooperation



GAO KEXIANG
The author is China's ambassador to Angola.

It has been five years since China and Angola entered into a strategic partnership. This bilateral relationship has witnessed tremendous progress with the efforts of both countries. I was sent to Angola to serve as the ambassador the second year after the establishment of the strategic ties, at a time when Sino-Angolan cooperation was still doubted by many.

However, I feel that the voice of doubt has weakened in the past two years and even those skeptics are learning from this relationship. The China-Angola relationship is a microcosm of the fast-developing China-Africa relationship, as well as a reflection of China's efforts in integrating with the world and sharing its influence.

Over the past few years, the bilateral ties between China and Angola have achieved much with many highlights and breakthroughs. The two countries have cooperated in many more fields, including politics, diplomacy, trade and economy, culture, education, and consular, police and military affairs.

For example, the escort fleet of the Chinese navy visited Angola for the first time last year and China set up its first Confucius Institute in Angola this year.

The two countries are also involved in more mutual interests. A number of projects involving hydroelectricity, transportation, housing, ports and railways that are built by Chinese enterprises have been completed, marking Angola's post-war reconstruction efforts.

China is Angola's largest trading partner and oil importer and a leading source of investment and imported goods. Angola is China's

second-largest oil supplier globally and trading partner in Africa, and the third-largest project contracting market.

Hundreds of Chinese enterprises that operate in Angola have established a close connection between China and Angola, turning the two countries into a community of interests.

The two sides also have high-level cooperation. In particular, a special committee guiding China-Angola cooperation in trade and economy was set up and started working this year, providing a high-level mechanism to ensure bilateral cooperation.

I believe the state visit of Angolan President Jose Eduardo dos Santos to China will give strong impetus to the future development of the China-Angola relationship.

I think the China-Angola friendship is also prospering among the people of the two countries, and personal ties are another reason for the fast development of bilateral ties, besides material interests.

Both countries are practitioners of the ideas of righteousness and benefits. China regards Angola as an important strategic partner in Africa and has firmly supported the country in keeping peace and stability, and exploring its own develop-

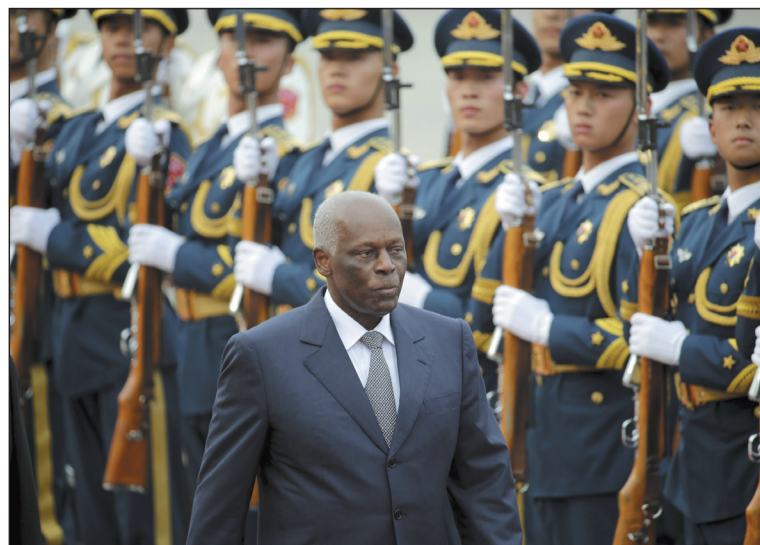
ment pattern. This has won China respect and support from all walks of life in Angola.

In Africa, Angola is famous for treasuring friendship and good faith. The country has suffered a lot during its past development, which, however, left it with a spirit of fearlessness and the spirit of independence. Angola has always supported China's development and offered it strong support in international affairs.

Last year, the state television of Angola shot a documentary that tells the stories of China-Angola cooperation. The Chinese name of the documentary is gemen'er, which means buddy. I think this is an appropriate word to describe the bilateral relationship.

Currently, Angola is faced with increasing challenges in terms of development as it is affected by the decline in international oil prices. However, as opportunities are always born out of challenges, I think China and Angola could focus on production capacity cooperation in the new situation and establish a cooperative framework accordingly.

I believe that future China-Angola cooperation will bring rich achievements as long as the two sides work together with firm confidence.



Angola's President Jose Eduardo Dos Santos inspects an honour guard during a welcoming ceremony outside the Great Hall of the People in Beijing on Tuesday. JASON LEE / REUTERS

Angola Yongda Industrial Lda

Huafeng Grupo-Angola is an enterprise that covers construction, realty, trade of construction materials, automobile trading and logistics.

Zhejiang Yongda Group is a leading enterprise in China's power and electric pole industry. As one of the drafters and revisers of the industry's standards, it enjoys a high profile in the modern electricity device manufacturing sector.

Angola Yongda Industrial, Lda is a joint venture of Huafeng Grupo-Angola and Zhejiang Yongda Group. Founded in June 2010, 23 kilometers away from Vienna zone, Luanda province, the company designs, detects, manufactures, supplies, installs and maintains devices, with businesses covering electricity, tap water, natural gas, telecommunications and infrastructure.

During its development, the China-Africa Development Fund and the China-Portugal Development Fund have supported Angola. In 2014, Huafeng Grupo-Angola, Zhejiang Yongda Group and the two funds reached an agreement to build Yongda industrial garden in Angola. They plan to invest \$150 million for the first stage, which will cover two square kilometers, and \$300 million for the second stage of 3.3 sq km. The garden will include zones for administration, manufacturing, guest enterprises, sales, product display, purchasing, logistics, daily life and centers for electric design and detecting electric products.

Considering the distance between China and Africa, building an industrial garden in Angola is considered a smart investment because it will help avoid high logistics costs and takes advantage of the Angolan government's favorable policies, which will make products more competitive. By investing in the local economy and hiring local workers, companies also boost local development, the skills of the local workforce and share China's management experience. Yonder now enjoys a good

reputation in Angola after shouldering its social responsibility and helping make the nation a better and more prosperous one.

According to plans for Yongda industrial garden, the first period of construction includes programs for power and electric poles, pylons, galvanization and iron accessories and ranges from manufacturing to installation and construction of electric lines.

Preparations to attract guest businesses have started and include mainly trying to rally enterprises from domestic provinces, such as Zhejiang, to start businesses in Angola. Most of the target



enterprises make electric products, such as power generators, voltage transformers, high-low voltage switches, electric porcelain, control boxes and electric wires. Some are also involved in infrastructure construction.

Yongda industrial garden will adopt a domestic strategy and mode that combines sales with production. The industrial garden will have a shop, divided into a sales zone and a display zone, where suppliers from China can showcase their products to Angola and the rest of Africa. There will also be a manufacturing zone for Yongda and other guest factories and a zone for domestic electric factories. The enterprises will share the same brand name, sales policy, trade regulations, quality standards and rational profit rate.

Angola Yongda Industrial, Lda has pledged to devote itself to accelerating Angola's development and urbanization and improving national industries. With the help of Chinese colleges and institutions, Yongda Angola will also help cultivate talented people and train qualified workers in Angola, to raise employment in the country and make the nation a prosperous one.

