



Martin Weissburg, president of the Volvo Construction Equipment. PHOTO PROVIDED TO CHINA DAILY

Volvo and bauma, working together

By ZHUAN TI

An exhibition named bauma China 2014 will be held in Shanghai between Nov 25 and Nov 28. A China Daily reporter spoke with Martin Weissburg, president of the Volvo Construction Equipment to discover more about the company, which has been part of bauma since it was introduced to China in 2002.

Q: How many times has the Volvo Construction Equipment Investment (China) Co Ltd participated in bauma?

A: Volvo CE has been a participant and supporter of bauma China since the event began 12 years ago. As the most important event for the entire construction and building-material machine industry in China as well as across the Asia region, the biannual bauma China has witnessed the ups and downs of China construction equipment development.

Q: Why do you think it is necessary to participate in the event? What results have been achieved in the past few years?

A: The event is not only an international platform for global exhibitors and visitors to communicate, to do business and to build sustainable success, but also promotes the development of the Chinese construction machinery industry.

During the past few years, Volvo CE has strengthened our presence in China and has already become an industry leader that provides high quality and innovative total solutions throughout the product lifecycle to Chinese clients.

Q: What will the Volvo Construction Equipment Investment (China) Co Ltd demonstrate in 2014 bauma?

A: Volvo CE will launch and showcase new products and technology during the event, including two new important products, Volvo paver P6820C and Volvo excavators EC170D, and a range of attachments, designed specifically for the Chinese market. Along with several star products, it will

neatly underline Volvo CE's long term commitment to the China market.

Under the theme of 'caring drives innovation', Volvo CE will demonstrate its latest innovative concept machine - the GaiaX which highlights the possibilities for fully electric compact excavators in the future.

Volvo's comprehensive package of finance, fleet management, parts and service support offerings will demonstrate Volvo CE's pledge to providing excellence throughout the product ownership lifecycle.

Trash to Treasure, Volvo CE's 'up-cycling' design arts campaign, as well as Operator Idol, Volvo CE's wildly successful Eco-Operator competition will be examples to emphasize the company's caring approach, to both society and to the environment.

The new range of engines that are compliant with China III emissions standards, as well as its EU Stage IV/US EPA Tier 4 Final engines will also be displayed at the show to demonstrate the breadth of the Volvo Group.

Q: What does the Volvo Construction Equipment Investment (China) Co Ltd expect to achieve in 2014 bauma?

A: Adhering to its core values of quality, safety and environmental care, as a century-old European brand, Volvo CE has achieved a sustainable growth in the China market. At bauma China 2014, Volvo CE will extend its theme of "caring drives innovation" to three dimensions - caring, innovation and expertise, to further demonstrate Volvo CE's competitive advantage. Caring is part of every Volvo CE product and service, which also shares a strong commitment and attitude to customers, society and the environment. Innovation is the foundation and momentum for Volvo CE's long-term growth, to its products, business models, services and CSR. Expertise summarizes Volvo CE's commitment to excellence from sketches to the very last detail.

Volvo CE will continue focusing on "caring drives innovation" and position itself as the leading industry expert that provides excellence throughout the product lifecycle and help Chinese customers to build sustainable success.

Q: What has been the market performance of the Volvo Construction Equipment Investment

(China) Co Ltd in recent years? Could you share the growth figures with us?

A: Considering the state of the economy, we are satisfied with our current performance in China. In 2013, Volvo CE, together with SDLG - our JV partner in China, remained the market leader in wheel loader and excavator sales in China.

China's construction equipment industry is experiencing an adjustment period after a decade of rapid growth. But we think that China is still the biggest market with enormous potential.

Q: Will economic slowdown in China affect Volvo's performance in the Chinese market? Will bauma help to ease some pressures?

A: China's construction equipment industry is experiencing an adjustment period. I think it is a normal business cycle that I have seen many times in other regions. We have our internal forecasts and we believe the China market in the medium and long term will continue to develop and it will be fantastic. There is still an incredible demand for infrastructure, roads and cities, which will benefit Volvo CE in the future.

Our diversified products and dual brand strategy made our solid performance possible. Volvo CE and SDLG produce machines that meet specific customer needs across different market segments and industry sectors including heavy construction, mining, energy, harbor and waste treatment, etc.

Besides, Volvo CE will continue to increase research and development investment to meet clients' demands for safe, high-quality and cost-effective products that come with comprehensive after-market services.

Q: What is China's role in the global map of the Volvo Construction Equipment Investment (China) Co Ltd?

A: China is very important to Volvo CE's global strategy and has a strong impact on our results and we will continue to increase our market share here. I am very optimistic about China, both in the medium and long term. The Chinese government is clearly committed to infrastructure development, which provides excellent opportunities for companies such as Volvo CE.

Innovation key to development

By ZHUAN TI
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Small construction machinery companies are paying more attention to innovation in a bid to maintain sustainable development amid the economic slowdown in China.

Figures from the China Construction Machinery Association showed that sales of the construction machinery industry grew by 0.88 percent in the first seven months of 2014, remaining as unfavorable as it was in previous years.

Imports of construction machinery equipment totaled \$2.7 billion between January and July, down 4.39 percent year-on-year, because of weak domestic demand.

Exports declined by 0.02 percent to \$11.4 billion in the first seven months of 2014, which suggested a difficult situation in the export sector.

Most small construction machinery businesses have suffered. Industry giants including Sany Heavy Industry and the Zoomlion Heavy Industry Science and Technology Co, say 2014 has been a really difficult year.

"We are under big pressure because sales have declined significantly this year," said Li Yize, general manager of the Anhui Huanqiu Drivetec Co, without revealing further information. The company is a slewing drive manufacturer in Anhui province with annual output valued at 50 million yuan (\$8.13 million).

Facing increased challenges, some small companies were forced to quit the business and some are taking innovative measures to maintain growth.

"We have collaborated with several universities to enhance our innovation abilities. We are recruiting more talents to support the development of our research and development center," said Li.

Li said Huanqiu has invested millions of yuan in product innovation in the past few years. The company is expected to achieve a slight revenue growth in 2014 amid the sluggish business environment.

"Product innovation is the only way for companies to maintain growth in the long run. It will help us to enter a new business area," said Li.

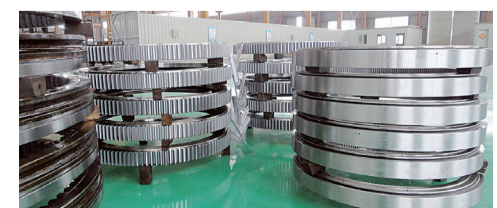
For companies, participating in exhibitions is also a good way to seek more potential clients and expand their sales network, he added.

2014 will be the third year for Li to participate in bauma China. He went to Intersolar Europe 2013 in Germany to meet more foreign buyers and seek business opportunities in the overseas market.

"Clients will know who we are and what we produce. We will have a precise view about the market and can better understand what our clients need. That's a win-win situation," said Li. "We also obtain inspiration and up-to-date information of the whole industry from exhibitions."

In bauma China 2014, Huanqiu will present its products such as slewing drive for construction machines and for solar trackers.

Currently, Huanqiu's products are sold to several countries in Asia. Li said the company plans to expand its network to American and European markets.



Products from the Anhui Huanqiu Drivetec Co will be on display at bauma China 2014.

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