

# US firm Honeywell finds rich growth seam in China

By **SHI JING** in Shanghai  
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Multinational companies must carefully study Chinese leader Xi Jinping's report made at the 19th National Congress of the Communist Party of China in October last year, as it clearly identifies the potential business opportunities in the country, said a top official from US-based manufacturing and tech giant Honeywell.

Yu Feng, vice-president and general manager of Honeywell performance materials and technologies for the Asia-Pacific region, said that taking a lead from Xi's address the company has identified seven areas for growth — providing better quality of life to consumers, the development of green technology and environmental protection, advanced manufacturing, innovation, high-quality development for products and services, the Belt and Road Initiative and the Healthy China 2030 plan.

Explaining the details of such cooperation, Yu said the company last year participated in a boiler renovation project that aimed to provide better air quality and improve the overall efficiency of boilers in the country. Honeywell infused its decades of expertise in energy saving and environmental protection technologies and tailored them specifically for the Chinese market, he said, adding that the project commenced operations in the middle of 2017.

"CPC Central Committee General Secretary Xi has reiterated that lucid waters and lush mountains are invaluable assets. In this sense, we will continue to launch new environmental protection products this year also," he said.

According to Yu, hydroflu-

**35 percent**

of Honeywell's turnover in China came from its research and development unit

orocarbon, which is widely used as refrigerant for fridges, air conditioners and cold storage units in China, is not environmentally friendly. A large number of European countries have already substituted it with more eco-friendly variants developed by Honeywell. These products have very limited adoption in China. "But we will introduce it into China soon, probably within the next two to three years," he said.

While China used to be a leading manufacturing country in terms of capacity, it is undergoing an industrial transformation stressing more on technology innovation. Both companies and individuals must be encouraged to foster innovation, said Yu.

"Honeywell has seen from

its experience in 2017 that technology has a bigger room for development in China. All our business units registered robust growth in the past 12 months, as clients are attaching more importance to product quality than just price," he said.

Although the global earnings numbers for 2017 are yet to be released officially, Honeywell China achieved double-digit growth. Nearly 35 percent of Honeywell's turnover in China came from its research and development unit and that number will continue to increase within the next five years, said Lu Rong, vice-president of the communications department of Honeywell Asia High Growth Region.

"We are looking to replicate the achievements in China to other emerging markets as well, as they will also encounter the challenges that China is facing during its process of urbanization," she said.

"In the long term, we would like to introduce the technology and production standards reached in China to both emerging markets and mature markets," she added.



An employee works on a machine at the assembly line of Honeywell's plant in Suzhou, Jiangsu province. LI JUNFENG / FOR CHINA DAILY



Dai Wenjian (center), founder of truck-calling app Huochebang, gives instructions to an employee at the company's office in Guiyang, Guizhou province. XINHUA

# Uber-like freight service steps up AI investment

Manbang Group created by merger of major players in sharing economy

By **MA SI** and **CHEN MEILING**

China's largest Uber-like freight service provider will step up its investment into artificial intelligence, as it scrambles to tap into the new technology to boost efficiency in matching empty trucks with loads.

Manbang Group, which was created last November after China's top two truck-

calling apps Huochebang and Yunmanman merged, has already set up an AI laboratory in Silicon Valley, in the hope of accessing cutting-edge technologies and top talent, said Xu Qiang, vice-president of Yunmanman. Yunmanman and Huochebang maintain independent operation after the merger.

According to Xu, more efforts will be made to accelerate the application of AI in the company's platforms and systems, after the merger created a tech player valued at more than \$2 billion. Manbang Group is now the second-largest unicorn company in the Chinese logistics industry, following Alibaba Group Holding Ltd's logistics arm Cainiao, according to the Hurun China Unicorn Index 2017.

"We now have the world's largest truck application scenario, with tens of thousands of trucks looking for loads every day. AI will certainly be one of our focuses," Xu said.

Huochebang, backed by deep-pocketed investors such as Baidu Inc and Tencent Holdings Ltd, said its platform

**“We now have the world's largest truck application scenario, with tens of thousands of trucks looking for loads every day...”**

Xu Qiang, vice-president of Yunmanman

has about 4.8 million truck drivers and about 950,000 shippers who look for trucks to carry their goods. The number for Yunmanman is 4 million and 1 million respectively, with its services available in 334 cities across China.

The two companies, which announced a merger plan in November, were both major players in China's trucking market, which is estimated

to be worth 5 trillion yuan (\$776 billion). They allow shippers to post load information on mobile applications and connect them with truck drivers, so as to reduce a truck's empty miles and waiting time between loads.

The marriage is considered an effective move to end a costly battle, as the two players are seen as such close rivals that no winner was likely in the short term.

"Instead of fighting at each other's expense, we figure it is far better for us to devote more time and energy to upgrading ourselves. The sector is spinning so fast that everyone is likely to be left behind," Xu said.

After the merger, Wang Gang, a backer of Yunmanman and an angel investor in ride-hailing giant Didi Chuxing, has become CEO of Manbang Group. Wang said the company aims to cover all the truck drivers in China and will expand into areas such as new-energy trucks and self-driving technologies.

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# Former 'coal city' turns focus to general aviation in upgrade push

By **ZHU WENQIAN** in Beijing and **SUN RUI SHENG** in Taiyuan

Datong in Shanxi province used to be known for its air pollution. Today, the former "coal city" has upgraded its industry structure and is accelerating its green development, launching brand new sectors, including general aviation.

The Datong government said the city will carry out supply-side reform and seize the opportunities for industrial growth brought about by general aviation. Plans to establish a general aviation industrial park is an important development direction for Datong, according to the city government.

In 2016, companies of China and Germany launched a general aviation industrial park in Datong, with an investment of 997 million yuan (\$154 million). Currently under construction, the park is expected to start operation in 2021.

By then, the plant will produce 500 to 1,000 light aircraft a year, with an expected annual sales revenue of 2 billion yuan to 3 billion yuan. Most aircraft produced there will be sold in China to meet domestic demand.

The light aircraft include the C42, a two-seat, light aircraft manufactured by German company Comco Ikarus GmbH. It is one of the most frequently used aircraft for flight training, farming and forestry.

"The industrial park in

**8.6 billion yuan**

Expected annual sales revenue of a general aviation plant in Datong

Datong will also be responsible for manufacturing and selling other light sports aircraft, maintaining general aviation aircraft, training pilots and providing aircraft for sports events and low-altitude tourism," said Zuo Jianjun, deputy general manager of Datong Deshen General Aviation Management Co Ltd.

"Datong has a number of scenic spots, including the ancient city area, Yungang Grottoes, volcano sites and Mount Heng. We plan to further improve the low-altitude traveling activities around those sites."

Datong Deshen is a State-owned enterprise founded in 2014 with an investment of 200 million yuan. It is responsible for the investment, construction, services, coordination and management of the city's general aviation industrial park. Besides fixed-wing aircraft, the industrial park also assembles gliders and cooperates with German glider manufacturer Stemme AG.

Companies of China and the United States have also launched a general aviation plant in Datong, with an invest-

ment of 1.6 billion yuan. By 2022, the plant is expected to achieve annual sales revenue of 8.6 billion yuan.

Meanwhile, Datong is in discussions with companies of the United Kingdom, Russia, France, Ukraine and Italy, looking to introduce their advanced general aviation technologies into China, including light aircraft engines, and the research and development of simulators. Many of the countries have expressed interest in cooperating, according to Datong Deshen.

In 2016, Datong's air quality met environmental standards on 314 days out of 365. The city's air quality ranked the best in Shanxi province, according to the local government's environmental protection department.

By the end of the 13th Five-Year Plan (2016-20) period, China will have 500 new airports and more than 5,000 general aviation aircraft will be in operation. The scale of the general aviation industry will exceed 1 trillion yuan, according to the Civil Aviation Administration of China.

"It's very positive that there are specific policies aimed at the sector. It will have a very positive effect and will encourage more people to join the sector," said Andy Gill, senior director of business and general aviation, Asia Pacific at Honeywell Aerospace.

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