

# Engine producer Weichai revs it up in buoyant first half results

Company sells a record 300,000 units in period, despite sector not having recovered

By ZHUAN TI  
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Weichai Group — the leading engines and vehicle components developer and producer — reported a strong performance in the first half of 2017, even though the national engine market has not recovered from a decline.

Figures provided by Weichai, which has branch companies in the Weifang Hi-tech Industrial Development Zone, showed the company sold a record 300,000 engines in the period.

Weichai's operating revenue in the first half year hit 104.8 billion yuan (\$15.76 billion), a 75 percent year-on-year increase.

Weichai said its products successfully beat international competition and a highlight was that they were installed on ferries traveling on New York's East River.

Weichai Group Chairman Tan Xuguang said innovation was the key element that supported the group's dynamic growth.

The marine engines that were installed on the East River ferries, adopted the most advanced technologies developed by Weichai.

The company said that its vehicle engines, such as the WP13 diesel engine, boosted Weichai's six-month growth and they featured its cutting-edge technologies.

The engines are priced 10 percent above imported products, but were nonetheless so popular that clients had to wait for a few days to get the final products.

"It would not be possible for Weichai to achieve what it has without innovation-led technology and products," said Wang Yong, deputy Party secretary of Weichai Group.

Wang said innovation had become part of the value system for Weichai employees.

Figures provided by the group showed that more than 5 percent of annual sales revenue is invested in research and development.

Total investments in core technologies and enhancing product reliability reached 15 billion yuan over the past 10 years.

Weichai has long been developing a globally integrated innovation system.

In 2005, Weichai made its first acquisition, by purchasing Zhuzhou Torch Spark Plug Co in Hunan province.

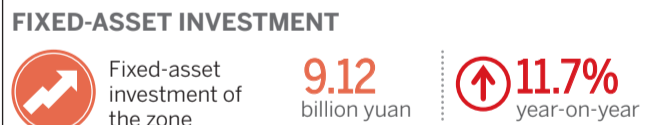
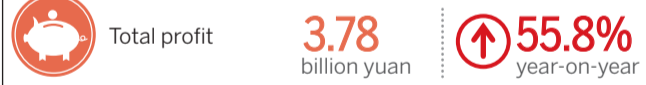
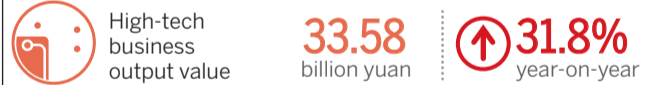
The deal allowed Weichai to obtain a controlling stake in Shaanxi Fast Gear and Shaanxi Heavy-duty Motor Company.



A technician with Weichai Power assembles a hydraulics product at the company's Linde Hydraulics factory in the Weifang Hi-tech Industrial Development Zone. PHOTOS PROVIDED TO CHINA DAILY

## Economic Situation of Weifang Hi-tech Industrial Development Zone

First Half of 2017



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Two years later, Weichai introduced the first heavy truck powertrain in the world, by combining its engine development technologies with Zhuzhou Torch Spark Plug's transmission and axle technologies. The powertrain has brought 40 billion yuan in sales revenue to Weichai over the past decade.

Weichai also went on the acquisitions hunt, in a move to integrate global resources and support its innovations.

In 2009, subsidiary Weichai Power acquired French marine engine developer and producer Moteurs Baudouin.

In 2012, Weichai Power bought a 25 percent stake in German forklift-maker Kion for 467 million euros (\$556.86 million) and a 70 percent controlling stake in Kion's subsidiary Linde Hydraulics, for 271 million euros.

In the same year, Weichai purchased a majority stake in Italian yacht-maker Ferretti, to tap into the luxury yacht sector.

"All those businesses have cutting-edge core technologies," said Zhang Quan, CEO of Weichai Power.

"The deal with Linde Hydraulics broke the monopoly, held by foreign businesses, in the high-end hydraulics market in China."

Weichai has established R&D centers in various countries, including the United States and Germany. It has established an integrated innovation platform that comprises more than 110 companies, upstream and downstream the vehicle component industry.

Wang said Weichai will

develop innovation centers in Aschaffenburg in Germany, Chicago in the US and in Japan's capital, Tokyo.

It will also establish development platforms with leading universities, such as the Massachusetts Institute of Technology and the University of Tokyo.

In Weichai, talented people will enjoy good payment. Sometimes, it is higher than some management members' remuneration.

The group announced on July 12 it would provide an additional 2,000 yuan every month to all its R&D engineers. As a result, the average annual salary of engineers in Weichai will exceed 150,000 yuan.

This year the company has appointed seven of its staff as 'Weichai scientists' and eight as 'youth scientists' — to foster an innovation culture.

The group has grown to become a multinational equipment manufacturer, with five listed companies and eight high-end brands.

Weichai vowed to invest significantly in new energy power system development and said it plans to build a high-end new energy power industrial chain.



# Innovation is snap for photoelectric industrial park

By ZHUAN TI

Weifang Photoelectric Industrial Park is taking measures to improve its innovation system for services — aiming to better support the technological development of businesses.

Located in the Weifang Hi-tech Industrial Development Zone, the park has developed many service platforms, including a semiconductor lighting products testing center, to give all kinds of support to businesses.

The previous semiconductor lighting products testing center was good, said Wu Lin, a staff member of the quality inspection department at Weifang Advanced Optronics Devices Co Ltd.

"However, it cannot conduct all the types of tests necessary to serve the changing market demand," Wu added.

"The expanded center and services are very convenient, because we do not need to take samples to other cities."

The development zone has made great efforts in promoting the construction of support platforms, improving services and upgrading financial services.

The launch of the Ministry of Industry and Information Technology's Fifth Electronics Research Institute in the zone marked the debut of a city-institute cooperation model.

The test center has served 210 companies since its establishment in 2011, including 100 companies based in Weifang.

Estimates are that it has saved the businesses nearly 60 million yuan (\$9.03 million) in research and development costs over the past six

years. The local authority said it effectively helps companies shorten the timespan between R&D and production.

The power equipment manufacturing industry is one of the well-developed industries in the zone, which has attracted related businesses and built up well-equipped manufacturing facilities.

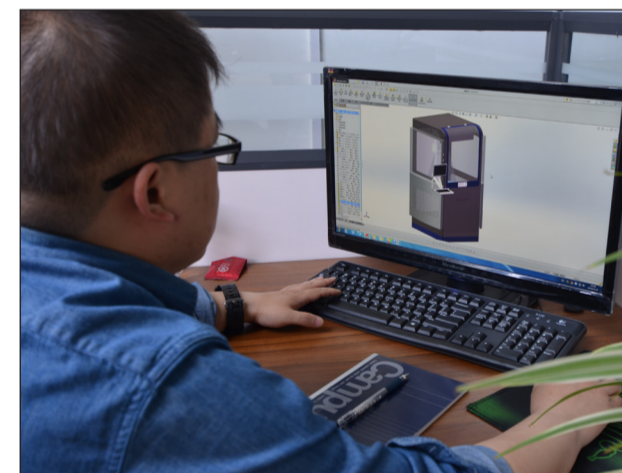
The industrial park partnered with the China Academy of Machinery Science and Technology to build the Shandong 3-D Printing and Advanced Manufacturing Service Platform in 2015. The platform is playing a key role in improving the environment for industry development, providing technological solutions to businesses.

The first industrial-level light-curing 3-D printer, with its own intellectual property rights, rolled off the production line in Weifang recently. The printer was independently developed by Maglayer, a smart technology company based in Shandong.

Looking ahead, the operators of Weifang Photoelectric Industrial Park said they will continue to boost the development of platforms, to improve the park's service capabilities.

"We will deepen cooperation with leading research institutes, such as the China Academy of Sciences, to develop an innovation platform that has design and R&D functions, as well as testing, verification and quality control functions," said Song Zhiming, director of the park's innovation and entrepreneurship service center.

Zhuang Jian contributed to this story.



A designer with Maglayer in Weifang works on a 3-D printer.

## Briefly

### Groups make it to top 100 list

Goertek and Weifang Special Steel Group, in the Weifang Hi-tech Industrial Development Zone, were listed among the Top 100 Privately-owned Businesses in Shandong province in 2017. Official figures showed that the threshold income of each of the 100 companies was 10 billion yuan (\$1.5 billion) in 2016. The zone has paid significant attention to supporting the development of private companies. The local economic and development bureau released 16 supportive policies to provide assistance to businesses in areas such as recruitment, innovation and finance.

### Model businesses, incubator named

Two companies and one incubator in the Weifang Hi-tech Industrial Development Zone were recognized as e-commerce demonstration businesses and an e-commerce demonstration base, respectively, by the Shandong Department of Commerce. The two companies are Weifang Enyuan Information Technology Co and Weifang

Zhongnong E-commerce Co. Weifang E-commerce Incubator was recognized as a provincial-level e-commerce demonstration base.

### Three key projects recognized

Three technology projects in the Weifang Hi-tech Industrial Development Zone were recognized as The First Technology Equipment and Core Component Development Project of Shandong. They were initiated by Weichai Power, Moteurs Baudouin and Shengrui Transmission. A total of five projects in Weifang received such recognition this year. The zone has seen 11 projects obtain the honor over the past few years, of which, seven were granted insurance subsidies from the Shandong government.

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# Dough makes for proud tradition, but not money

By ZHUAN TI

Zhao Riwen, a dough figurine-making artist in the Weifang Hi-tech Industrial Development Zone, is ready to inherit the tradition and give it new life.

Making dough figurines is a traditional Chinese craft, which uses flour and water as its main materials. It is believed the craft has a history going back more than 1,000 years and can be traced back to the Han Dynasty (206 BC-220).

Zhao was recognized as an inheritor of Weifang dough figurines, which were named a city-level intangible cultural heritage item, in 2015.



Zhao Riwen, traditional artist in Weifang, makes a dough figurine.

His works have been collected by Prince Gong's Mansion in Beijing and the Shandong Intangible Heritage Research Center.

Zhao said he liked to make flour pastry such as fish, flowers and peaches as a boy, learning the skill from his grandmother. In the process of learning Zhao

had found that the dough figurines, mainly made with water and flour, were difficult to be preserve in the natural environment.

He was determined to develop a unique preservative method, to extend the lifecycle of his dough figurines.

"On the other hand, the products need to be environmentally friendly, as kids will be handling them," Zhao said.

"I have designed a set of equipment which can be used to produce various types of products for dough figurines, and to teach children."

So far, he has taught more than 3,000 students the traditional art, who have happily learned how to make dough

figurines. Zhao said it is his hope that they will help to preserve this traditional art.

Although Zhao has accumulated rich experience in making dough figurines, he has not made much money from this craft.

"I'm not good at selling products. Sometimes I feel I am at a disadvantage as an artist," Zhao said.

Fuhua community in the high-tech zone has provided strong support for Zhao.

Zhao said he hopes to introduce innovation in dough figurine making, to bring more vitality to its traditions.

Liu Jing contributed to this story.