

Weichai in driver’s seat to steer region’s economic development

Heavy truck engine manufacturer leads by example in Shandong province's premier industrial zone

By YUAN SHENGGAO

The transformation of old economic development drivers into new ones has reached a key stage in Shandong province, East China.

Weichai Group, a heavy truck engine and component developer and manufacturer at the Weifang Hi-tech Industrial Development Zone, is taking the lead in the province's efforts.

The manufacturer sold 620,000 engines and achieved more than 220 billion yuan (\$34.77 billion) in sales revenue in 2017.

On Feb 5, the company announced its ambitious plan to achieve an annual sales revenue of \$100 billion yuan in the upcoming years.

It has also set goals to become one of the world's leading traditional powertrain, component and engine developers by 2020 and, in line with new economic drivers, become a leader in new energy vehicle development globally by 2030.

To further this ambition, Weichai hosted its first global suppliers conference on Feb 26 to discuss and share its international development strategy. More than 100 suppliers from around the world took part in the event to learn more about the company and its goals.

Global resources

Weichai has long been committed to expanding its global research, production and sales network so that it can support its long-term growth, a group spokesman said. The group established its first overseas research and development center in Austria in 2003.

To bolster its first foray into global R&D, in the following 15 years Weichai carried out a series of mergers and acquisitions, including the purchase of French marine engine developer and producer Moteurs Baudouin in 2009.

In 2012, Weichai Power, a branch of the Weichai Group located in the high-tech zone, bought a 25 percent stake in German forklift-maker Kion for 467 million euros (\$571.02 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.

In 2016, all of Weichai's overseas projects reported positive profit growth.

The Weifang-based group has also expanded into new fields along the industrial value chain.

Weichai supported its German branch Kion to purchase the United States-based logistics company Dematic for \$2.1 billion in 2016. The move helped the group to become one of the leading intra-logistics solutions providers in the world.



Customized assembly robots at the Weichai Group speed up the company's engine production in the Weifang Hi-tech Industrial Development Zone. PHOTOS PROVIDED TO CHINA DAILY



A technician at Weichai works on an engine block production line at the company's factory in the high-tech zone.

According to a spokesman, Weichai has never stopped looking for good international projects to become involved with. One such project is leading alternative-fuel power system developer Power Solutions International, which Weichai invested \$60 million in to become its largest shareholder in March 2017.

Weichai has grown into a conglomerate with a strong presence in six market sectors: powertrain development, vehicle production, construction machinery, smart logistics, luxury yacht development and financial services. It has business branches in Europe, North America, Southeast Asia and South Asia.

Tan Xuguang, chairman of Weichai, said that the company has completed its globalization and is looking at how to pro-

vide better value-added products to global clients.

Innovation, R&D

Weichai's management is fully aware that the upgrading of simple products is not enough to serve future market demands. Rather, it has to completely change its development goals and tap into new sectors, such as new energy and intelligent driving.

The group has established a national-level R&D center to improve its commercial vehicle powertrain system technology development. It has also built a national internal combustion reliability key lab and has rolled out the results of its innovation which have gained independent intellectual property rights.

Aiming to make breakthroughs in the development of

core technologies and enhance product reliability, Weichai is continuously making significant investments in R&D, the spokesman said.

Figures provided by the group show that more than 5 percent of its annual sales revenue is re-invested in R&D. Weichai has spent 15 billion yuan on investments in core technologies and enhancing product reliability over the past 10 years.

Nowadays, the group has built up a globally supported R&D system with more than 3,000 development engineers, spread across five countries.

The group has initiated and participated in setting up 67 national and industrial standards. It has 2,633 patents, among which 469 are invention patents.

"Weichai has experienced rapid development over the



Weichai's every success is a demonstration of the value and contribution of technology."

Tan Xuguang, chairman of Weichai

past 10 years. Its annual sales revenue has reached billions of yuan," Tan said at Weichai's innovation conference in 2017.

"The group has expanded its product portfolio from only one to a wide range of offerings. Weichai's every success is a demonstration of the value and contribution of technology."

Tan added that the group will continue to utilize its global influence to attract better global resources to Shandong.

"We will attract top professionals and technologies to Shandong to support the province's economic growth driver replacement progress."



Cultural partnership signed to stage top quality performances

By YUAN SHENGGAO

The newly-established partnership between the All-China Federation of Trade Unions Art Troupe and Weifang Hi-tech Industrial Development Zone allows artists to explore new ways of bringing better cultural products to people.

The art troupe and the zone signed a long-term partnership agreement on Feb 6 to work together to create a larger array of better quality performances.

Artists from the All-China Federation of Trade Unions Art Troupe staged five performances in the zone on Feb 5 and 6, including dancing, poetry recitals, crosstalk, a standing comedian show, comedy sketches and magic.

The feedback from the audience was positive, with many citing local characteristics as well as significant matters experienced in the zone over the past year as being particularly entertaining.

"The national art troupe represents a high level of performance," said one audience member. "A short show named *The Seventh Movement* was about life in the zone and the performers even spoke our Weifang dialect."

On Feb 6, the artists visited Weichai Group's workshops, Weifang College and residential communities to perform for local people.

Staff at Weichai's No 2 factory in Weifang Hi-tech Industrial Development Zone were entertained by famous comedian Bolin and his partner Ji Xiang who performed a crosstalk show.

"The days before Spring Festival vacation are the busiest time for us each a year," said Liu Jianzhu, an employee at Weichai.

"We never expected those artists to perform in our workshop. We are happy and moved."

Zhang Congxiao, director of the performances, spent more than one month planning and directing the two-day extravaganza.

Zhang said he only planned to give one performance when the troupe first received its invitation from the zone. However, he changed his idea after having in-depth discussions with local cultural workers.

The idea to create a long-term partnership with the



Artists have to enter the world of local audiences and create works especially for them."

Li Qingzhong, Party chief of the All-China Federation of Trade Unions Art Troupe

zone and provide tailor-made performances for local residents came as a result of Zhang's plan. The number of performances then increased from one to five.

Zhang revealed that creating performances that are honed by the details and specifics found in a local community is no easy task.

"It took us more than one month to create the short comedy and crosstalk. We made a lot of changes to the content to make it fit local people's appetite," Zhang said.

"Each performance has a theme and mission that needs to be passed on to the audience. However, we have to perform it in a way that also makes the audience happy," said Li Qingzhong, Party chief of the All-China Federation of Trade Unions Art Troupe.

The art troupe, established in 1956, has long been committed to bringing cultural performances to ordinary people. In 2017, the art troupe staged 156 performances in China.

The development of media has changed people's cultural tastes. It has also pushed art troupes in China to change the way they perform.

"Cultural resources were scarce in previous years, so we did not consider how to attract audiences," Li said. "Nowadays, people can watch all types of performances at home so we have to think carefully how to attract audiences. Artists have to enter the world of local audiences and create works especially for them."

Li and Zhang will work together to develop programs to better entertain the zone's residents in the Year of the Dog.



Bo Lin (left, standing), a famous Chinese comedian and a member of the All-China Federation of Trade Unions Art Troupe, performs in Weichai Group's workshop.

Special museum is custodial center of prized memories of villagers



Villagers visit the museum for Xincheng subdistrict's Hebei community in the Weifang Hi-tech Industrial Development Zone.

By YUAN SHENGGAO

A special museum holding the secrets and memories of a village opened its doors recently.

It was built to preserve documents containing family trees and anecdotes that have cultural and historical value to Hebei community, in Xincheng subdistrict in the Weifang Hi-tech Industrial Development Zone.

More than 500 old items are currently on display at the museum, which opened on Feb 17.

Zhang Chuanlai, 39, is the proud owner of two sewing

machines displayed in the museum.

"The machines are 34 years old and were the first sewing machines in Hebei," Zhang said.

Zhang recalled how his mother worked into the nights before every Spring Festival to tailor new clothes for local villagers in the 1980s and 1990s.

The sewing machines served Zhang's family until recent years, when they moved from the old buildings in the shanty quarters to new apartments in 2012.

Residents in Hebei community have experienced seven

relocations since 2005, and all the old buildings in the community were removed by May 1 last year.

Though the residents enjoy their new lives in the high-rise buildings, they want to preserve some old items, which represent local traditions and culture.

The decision to build a village museum in Hebei community was announced in June 2017. The residents were excited when they heard about it and donated many old items. Besides the old sewing machines, there is the first black and white TV, the first radio, ancient contracts dat-

ing back to the Qing Dynasty (1644-1911) and old photos of Hebei primary school.

Zhang Jingui, a resident in Hebei, visited the new village on Feb 17 and took many photos. She wanted to show them to her son, who is studying overseas.

"I want to show him how his parents earned a living and how to make a good life," Zhang said.

Fellow villager Zhang Huaqing, Party chief of Hebei community, has also taken a keen interest.

"Every part of the village history has a story and we are the protagonists in the sto-

ries," Zhang opined.

"The museum will help our children to remember the history and pass on our traditions."

Wang Weidong contributed to this story.

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