

HOLIDAYBIZ LIFE

RV production in full swing in Shandong

Rongcheng aims to grow sector into pillar by building complete export supply chain

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On the production lines run by a recreational vehicle producer in Rongcheng, a county-level city in Shandong province, workers were busy assembling camper trailers in late November. These campers will soon be shipped to overseas markets including the United States and South Korea.

During the first 10 months of 2022, over 1.3 billion yuan (\$186.2 million) worth of RVs were exported via Rongcheng Customs, a year-on-year increase of 20.9 percent, said the department.

Good performance overseas

Liu Shaoxun, general manager of Rongcheng Compaks New Energy Automobile Co Ltd, said the company was scheduled to produce a total of 6,000 RVs in 2022 according to placed orders, including self-propelled vehicles and trailers.

“Around 95 percent of RVs we produce, mainly trailers, are for overseas markets,” Liu said.

Founded in 2014, Compaks has developed into a major trailer exporter in China thanks to supportive local government policies.

“Rongcheng aims to build the RV sector into a pillar industry by developing a complete RV industrial chain, which benefits us in sectors ranging from parts purchasing and marketing,” he said.

The city, which has a population of 714,000, is now home to 10 RV producers. The RV industry provides jobs for over 4,000 people in the city. There are also more than 50 RV accessories and parts suppliers as well as production enterprises running businesses ranging from steel materials to air conditioners and wood floorboards and panels, according to statistics provided by the city government.

RV producers in Rongcheng make 30 percent of all RVs in China and its RV exports account for 70 percent of total RV exports by unit volume nationwide. The city was named an export base for RVs in 2017 by the China Association of Automobile Manufacturers.

Located on the easternmost tip of the Shandong Peninsula, Rongcheng faces Japan and South Korea across the sea. Both sea-ports and the China-Europe Railway Express freight trains provide convenient access for products produced in the city to reach overseas markets.

The convenient shipment process and comfortable and pleasant living environment offer Rongcheng advantages to develop the RV industry, which caters to tourism and recreational sector participants, Zheng Yuewen, mayor of Rongcheng, said at an RV promotion conference held in the city in October.

A total of 21,000 RVs, including self-propelled models and trailers, rolled off production lines in Rongcheng in 2021, generating total sales of two billion yuan.



Workers assemble recreational vehicle components at a factory of Rongcheng Compaks New Energy Automobile Co Ltd in Rongcheng, Shandong province, in November.

LI XINJUN / FOR CHINA DAILY



An aerial view of an RV campsite in Rongcheng, Shandong province. LI XINJUN / FOR CHINA DAILY

Trailers produced in the city are sold to countries including Australia, New Zealand, the US, South Korea and Japan, said the city's bureau of industry and information technology.

In countries like the US, Canada and Australia, trailers usually account for 90 percent of total RV sales, Cui Dongshu, secretary-general of the China Passenger Car Association, said in a recent article about the RV market.

Cui said trailers are preferred by people in those countries mainly because there are more vehicles

that can be used to tow trailers, and in addition, trailers are more affordably priced.

To expand overseas markets, Compaks has built a warehouse in Australia and a production plant in South Korea.

“The overseas facilities have been playing an important role in ensuring steady product supply and after-sale service for offshore markets,” said Liu.

The RCEP Certificate of Origin, which offers preferential tariff treatment, has given RV producers in Rongcheng a boost to expand overseas markets.

Molin Automotive Technology Co Ltd in Rongcheng sold more than 2,150 RVs to overseas markets during the first 10 months of 2022.

Molin had applied for 180 certificates of origin, which had saved 10 million yuan in tariffs for the company, according to an article published on the official website of Qingdao Customs, which oversees Rongcheng Customs.

Qingdao Customs has been using smart systems to verify certificate applications submitted by companies to ensure companies get certificates in a timely fashion.

Innovation-driven technologies

RV producers in Rongcheng are building state-of-the-art production lines to increase productivity.

Rongcheng Mingjun Outdoor Leisure Products Co Ltd spent more than 80 million yuan building two workshops that cover a total area of 10,000 square meters to produce RVs.

The automated welding workshop and assembly workshop will boost RV productivity in Rongcheng, said Xiu Chuanyi, executive supervisor of the company.

Mingjun has teamed up with Harbin University of Science and Technology to jointly develop welding technology, a major process used in trailer production.

To meet consumer demand for personalized designs, Compaks has been using an industrial internet system through which consumers can select customized options.

“For example, consumers can choose furniture according to their needs, a bunk bed or a single-person bed, an outside cooking facility or an inside one,” said Liu.

Compaks spends 6 percent of its sales income on innovation annually, in a bid to provide more comfortable and reliable products for consumers, Liu added.

For example, it took the company one year to find a way to replace its steel chassis with an aluminum alloy alternative to make the trailer lighter and thus more fuel efficient, he said.

Eyes on the homefront

In China, RVs are favored by con-

sumers. A total of 12,582 RVs were sold in China in 2021, a year-on-year increase of 43.2 percent. Meanwhile, 3,543 trailers were sold over the same period, according to statistics released by the China Automobile Dealers Association.

The International RV and Camping Expo held in Nanjing, Jiangsu province, in June attracted over 100 companies. During the four-day expo, more than 300 RVs were sold.

“There is a big potential to develop the domestic RV market as more and more people would like to experience RV tours,” Liu said.

This past summer, more than 20 campers at a campsite along the coastline in Rongcheng were fully booked for several months, showcasing that RV-themed tourism is welcomed by tourists, he said.

Rongcheng also has a few projects in its development plans to boost the RV industry, including the building of an international campsite and holding an international conference on RV tourism.

The RV market is supported by national policies. The 14th Five-Year Plan (2021-25) for the development of cultural and tourism sectors calls for creating an overall RV-centric tourism industrial chain and building new campsites and tourist centers.

“More camping sites need to be established in our country to provide convenient services for people, such as facilities used to charge and get water,” said Liu.

“RV demand will increase with more campsites and support facilities being built in the near future,” he added.

Recreational vehicles taking roads by storm as China embraces wanderlust

By ZHU WENQIAN

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Taking road trips in recreational vehicles has become a new trend in China and continues to gain in popularity, but the business is still nascent in the country compared with more developed markets.

Since the COVID-19 pandemic first struck some three years ago, more and more travelers prefer to drive themselves on trips, as it is more private, flexible and safer thanks to social distancing factors. In the first half of 2022, sales revenues of RV trips on Fliggy, the travel arm of Alibaba Group, nearly tripled the level recorded in the same period of 2019, when there was no pandemic.

As a newly emerging market sector, the supply of RVs in China has been relatively scattered and some standards are not unified. Some first-time drivers don't know enough



Travelers participate in a workout activity at a recreational vehicle campsite in Yongjing county, Gansu province, in May.

CHEN BIN / XINHUA

about how to take care of RVs.

In November, Fliggy, the online travel platform that was the first to offer RV tours in China, cooperated with some business operators and introduced nine service standards to jointly promote the upgrading of the service level of the RV travel indus-

try. Such requirements serve as the first industry service standards for the RV sector in China and include services such as penalty-free cancellations, emergency rescue and repair, and one-on-one guidance.

“Taking self-driving tours by RV can bring consumers different and

wonderful experiences, and the sector shows booming growth prospects. Yet, at the initial stage of development, overall services available are not standardized and normative enough. We hope to help solve some real problems for the industry and consumers by introducing RV tour service standards,” said Cui Yupeng, deputy general manager of the vacation department at Fliggy.

Wang Yankun, founder of Wolf Totem Travel Agency, which is based in Heilongjiang province in Northeast China and mainly offers long-haul domestic road trips, said although the RV travel market has grown rapidly in the past few years in China, the supply of RVs is still insufficient.

“Suppliers implement their own sets of service standards. The standards in terms of vehicle conditions and onboard services are different, and this may cause some problems for tourists and increase the service

costs of business retailers. It is helpful to improve the overall service level by formulating unified service standards,” Wang said.

Most RVs feature beds, a kitchen with a table, a refrigerator, a sink and a cooking stove along with a toilet, and they become more affordable options compared with staying at hotels. The total sales of RVs in China had increased from less than 5,000 in 2017 to some 12,600 in 2021, according to the China Passenger Car Association.

Compared with Europe and the United States, the RV market in China is still in its infancy. RVs have become an important part of residents' daily lives and leisure travel in the US, and sales of RVs in the country exceeded 600,000 in 2022, according to the Recreation Vehicle Industry Association in the US.

Domestically, Chengdu, Sichuan province; Urumqi, Xinjiang Uygur autonomous region; and Kunming,

Yunnan province, topped the list of destinations that travelers would like to visit by RV, according to a report released by online travel platform Tongcheng Travel and auto information provider Autohome Inc in November.

More than 90 percent of respondents said they prefer to take self-driving trips using their own vehicles, and SUVs were their top choice. Driving RVs is becoming more popular in China, and 7 percent of respondents said they would choose RVs when taking self-driving trips, according to the report that surveyed some 3,000 people nationwide.

Young travelers aged between 20 and 40 serve as the main groups who often take self-driving trips, and the number of people who would like to take self-driving trips alone continues to increase. In 2022, about 60 percent of surveyed travelers took one to three-day self-driving trips, the report said.