

Company special

Sinotruk's global strategy leads to major export growth

By HAO NAN

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China National Heavy Duty Truck Group, also known as Sinotruk, achieved double-digit growth in exports last year, in contrast to the slump in sales for most truck manufacturers across China.

"Sinotruk's competitiveness in international markets is taking shape after years of development and sales of heavy-duty trucks in China have garnered strong support from overseas markets," said Ma Chunji, chairman of the Shandong-based company.

"The future of Sinotruk depends on how far it can go in implementing the internationalization strategy."

Chinese truck manufacturers, due to the sluggish global economic recovery and shrinking demand in the market, experienced a drop last year of 27 to 30 percent in sales from the previous year, with approximately 500,000 to 550,000 heavy-duty trucks sold.

Sinotruk, on the other hand, saw a 12.5-percent increase in complete vehicle exports and provided 31,000 trucks to foreign countries, making it the largest exporter of heavy trucks in China for 11 straight years, according to the General Administration of Customs.

The company sold 158,000 vehicles in 2015, including nearly 100,000 heavy-duty trucks, and generated revenue of \$9.35 billion.

It has a nearly 18 percent of the heavy-truck market share in China, up more than 1.6 percent from 2014.

Sinotruk produced China's first heavy-duty truck in 1960, four years after the company was founded.

The country's largest truck manufacturer by revenue switched to an international outlook in 2004 at a time when China was rarely exporting



We have mainly concentrated on developing third-world markets over the past decade and now are trying to tap into high-end markets in developed countries and regions."

Ma Chunji, chairman of Sinotruk

158K
vehicles
sold last year

vehicles, let alone heavy-duty trucks.

It soon created the international brand Sinotruk and in a bid to narrow the gap with foreign competitors, it introduced technologies from Austria. It also began cooperating with the Volvo Car Group that year.

In 2009, Sinotruk established a long-term partnership with German truck maker MAN, from whom the Chinese company obtained a range of advanced technologies, including engine technologies. In January 2013, the Sitrak series of heavy trucks, jointly developed

12.5
percent
increase in complete vehicle exports

by Sinotruk and MAN, were launched.

As a result of the cooperation, Sinotruk has introduced advanced technologies and manufacturing processes.

It has also gained a better understanding about standards and quality management, said Yun Qingtian, Sinotruk's general quality engineer.

The company develops new products in strict accordance with the system established by its German partner and tests each auto part. Indigenous innovation is also a major priority for the company.



Sinotruk produces high-quality vehicles for domestic and foreign markets. PHOTOS PROVIDED TO CHINA DAILY

It has invested 20 billion yuan in technological upgrades and product development in a bid to raise the standard of its products to rival those from the world's leading truck makers.

The company has a complete product portfolio that includes heavy-, medium- and light-duty trucks, vans, special-purpose vehicles and construction machinery, and four brands: Sitrak, Howo, Steyr and Hohans.

Its product lineup for heavy trucks alone has grown from one series and 78 types in 2001 to nine series and more than 3,000 types.

Ma said Sinotruk has built a global market network in 96 countries and regions supported by more than 1,000 overseas after-sales service outlets.

It also has six overseas branches to serve markets

in Southeast Asia, Australia, Africa, the Middle East, Central Asia and Russia, Central and South America, as well as Hong Kong, Macao and Taiwan.

To enhance the company's localization capabilities, Sinotruk has built knock-down factories, which refers to the auto parts needed to assemble a unit — in six countries such as Nigeria, Morocco and Malaysia.

In May 2014, Sinotruk signed a \$100-million deal with Africa's industrial giant Dangote Group for a new assembly plant in Lagos, Nigeria, with an annual production capacity of 5,000 heavy-duty trucks.

It is the fourth plant Sinotruk has established in Africa.

The deal was signed during Premier Li Keqiang's first visit to Africa since taking office in 2013.

In April 2015, the company reached an agreement with the China-Africa Development Fund to jointly invest \$133 million to build truck assembly plants and service network of auto accessories in major African markets.

After exploring overseas markets for 11 years, Sinotruk has more than 30 of its 96 export markets in Africa, where about 12,000 vehicles are sold every year.

At a working conference held on Jan 3, Ma put forward new goals for Sinotruk to achieve by the end of the 13th Five-Year Plan (2016-20), one of which is to increase the company's export proportion to 50 percent of total sales.

To reach that goal, the company is expanding its businesses into high-end overseas

markets such as Australia, Singapore, New Zealand and Eastern Europe.

"We have mainly concentrated on developing third-world markets over the past decade and now are trying to tap into high-end markets in developed countries and regions," Ma said.

"If we want to become a global commercial automobile giant, we need to make high-end vehicles to enter developed countries."

Sinotruk has adjusted its production lines in recent years and opened a 3S (sale, spare parts and services) shop last September in Auckland, New Zealand. The company will also grab opportunities brought by China's ongoing Belt and Road Initiative to bring more products to countries along the routes, Ma said.