

# China - A Market of the Future

*Fo-Wai Lau ist Geschäftsführer Vertrieb von Bosch Rexroth in China. Er spricht über die Wirtschaftsentwicklung in China, die besonderen Herausforderungen für ausländische Anbieter und darüber, welche Auswirkungen vom Beitritt zur Welthandelsorganisation zu erwarten sind.*

*Fo-Wai Lau is Managing Director Sales for Bosch Rexroth in China. The 38-year-old engineer started in 1993 with Rexroth in the Marine Applications Department. His career encompasses experience in civil engineering, mobile hydraulics and key account management. Born in Hong Kong, leisure activities of the father of one child include swimming and spending time with his family.*

**How does the economy look in China?**

Overall growth in 2001 was 7.6%. The accession to the World Trade Organization in the same year will further accelerate growth.

**What impact will the World Trade Organization bring to your market in China?**

For manufacturers and exporters in China, WTO will help them increase their share in global markets. High quality component suppliers such as Bosch Rexroth will benefit from helping the local machine manufacturers enhance their product performance. In order to meet international market requirements, many OEM machine manufacturers in

China have now started to consider certain quality aspects such as energy saving, noise reduction as well as high productivity, and they are looking at new technology. Faced with these requirements, we can supply our best-in-class components and bring advanced technology to these manufacturers.

**What are your challenges?**

As always, long-term market growth will inevitably make competition more intense. In China, we can foresee that many domestic and foreign companies will enter our markets in the years to come, and market growth will be accompanied by strong competition. Our

answer to these challenges will be production localization, even better quality *assurance*, more *comprehensive* support service, and excellent delivery performance, combined with a *unique* and professional know-how.

Does this bright outlook depend wholly on the market opportunities that WTO will bring?

Of course not. Another important factor to stimulate growth will be the Beijing Olympics in 2008, as the government will spend about 22 billion Euro on modernizing Beijing in the next 7 years. Furthermore, China has just launched its "Go West, development plan, which is being followed by large-scale infrastructure projects ranging from civil engineering work, natural gas *exploitation*, to highway and railway construction within the country, bringing considerable business opportunities. This will result in a *tremendous* need for our mobile hydraulic systems in construction machinery, a market where we already hold a very good position. Mobile hydraulics is already a very important business area for us and this will increase its *turnover* significantly.

Can you give us an example of your new projects?

We are currently working on the Ro-Ro Bridge Project, which is being handled by our Civil Engineering application group, in cooperation with Bosch Rexroth in Lohr. Actually, this is a train ferry project of the Guangdong-Hainan Railway Corridor, in which a *pedestrian*, a vehicular and a railway *trestle bridge* connecting a train ferry are to be built.

The railway trestle bridge features 3 *spans*, and is the first one of such kind in the world. And this is also a first for a *typhoon* area. The Ro-Ro bridge is a good example of a "turnkey", project from Bosch Rexroth in China, in which we offer a complete drive & control package including the design, simulations, on-site installation, *commissioning* & training.

What is your market position and overall strategy?

We can see our market as a pyramid containing 3 levels, the biggest market segment being the base where components are sold. At mid level we offer system solutions, while at the top of the pyramid we deal with project business in which we clearly differentiate from our competitors as a result of our engineering competence in delivering state-of-the-art know-how. For different types of business, Bosch Rexroth in China applies



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different strategies in order to maintain its market leadership everywhere. With respect to component sales, we *distinguish* ourselves by our best-in-class standard, our focus on *core* products, our short delivery time, together with a comprehensive market *coverage* via a direct sales and distribution network. For system sales, we offer our complete and solution-orientated package, with *cross-selling* for different business units. For project business, we aim to enhance our leading position with a clear focus on target branches and close co-operation with our Corporate Center of Competence. ■

<i>accelerate, to</i>	<i>beschleunigen</i>
<i>accession</i>	<i>Beitritt</i>
<i>accompany, to</i>	<i>begleiten</i>
<i>assurance</i>	<i>Zusicherung</i>
<i>benefit from, to</i>	<i>profitieren von</i>
<i>commission, to</i>	<i>in Betrieb nehmen</i>
<i>comprehensive</i>	<i>kompetent</i>
<i>core</i>	<i>Kern</i>
<i>coverage</i>	<i>Abdeckung</i>
<i>cross-selling</i>	<i>Verbundabsatz</i>
<i>distinguish, to</i>	<i>unterscheiden</i>
<i>encompass, to</i>	<i>umfassen</i>
<i>enhance, to</i>	<i>steigern</i>
<i>exploitation</i>	<i>Abbau, Förderung</i>
<i>inevitably</i>	<i>unausweichlich</i>
<i>leisure</i>	<i>Freizeit</i>
<i>pedestrian</i>	<i>Fußgänger</i>
<i>requirement</i>	<i>Erfordernis</i>
<i>spans</i>	<i>Bogen</i>
<i>tremendous</i>	<i>riesig</i>
<i>trestle bridge</i>	<i>Bockbrücke</i>
<i>turnover</i>	<i>Umsatz</i>
<i>typhoon</i>	<i>Taifun</i>
<i>unique</i>	<i>einmalig</i>

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