



Strong Partnership for a market with a future

Voith is not an unfamiliar name in China's paper industry, or in Chinese industry as a whole for that matter. This traditional partnership goes back a long way. For three-quarters of a century in the Middle Kingdom, Voith machines have been a hallmark of quality "made in Germany". Not long ago yet another Voith installation – built in 1929 – was modernized for further decades of dependability.

China's successful economic policy and intensive industrial expansion has revitalized this long-term partnership.

Not only is Voith involved in China's most ambitious power project, with water turbines for Sanxia hydro station, but also with drive and traction systems for industrial installations, rail and road vehicles.

Voith's partnership with the Chinese paper industry is particularly fruitful. The delivery of powerful new machinery is accompanied these days by a higher degree of know-how transfer, and Chinese subcontractors are increasingly included.

Voith's commitment to China is long-term oriented. Voith is on the spot! This is em-

phasized by the Beijing Representative Office opened some time ago, the new Voith Siemens Hydro works in Shanghai, and the Voith Turbo drive systems plant. As one of the most important members of Voith Paper Technology, Voith Fabrics has a large manufacturing facility in Kunshan near Shanghai for former wires, press felts and dryer fabrics. It is therefore logical to expand Voith's presence at the growing industrial centre of Shanghai with a Voith Paper location.

Shanghai Service Center

The first step in this direction is to set up an efficient service center. Detailed planning is almost complete, and construction work will start in April 2002. At the beginning of 2003, the machine tools and testing equipment will be installed, so that by April 2003, the service center should be open for business after only twelve months of construction.

With 5,500 square meters of floor area and 700 m² of office space, the new service center is designed to meet all future needs. At first, the service offered will



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Service*



mainly include comprehensive roll servicing, with machining capacities up to 100 tonnes roll weight, 15 m length and 2 m diameter. Covers and coatings will be available in rubber, polyurethane, composite high-tech and ceramic. Complete service facilities will also be provided for deflection compensating rolls.

The purpose of this investment is to deepen our partnership with the Chinese paper industry and to cut roll servicing times drastically for the benefit of Voith Paper customers. Clearly, a good many companies have been waiting for some time to have their roll servicing and covering, overhaul and grinding work done in China.

Another Service Center in Shandong Province

A thousand kilometers north of Shanghai, the paper industry in the Shandong province has substantially increased its capacities. This increase has also created a need for local professional roll servicing.

True to the Voith philosophy of being conveniently located, Voith Paper will, therefore, be opening an additional service center in this region. The main emphasis here will first be on roll machining and repairs, but additional services will be added later on according to demand.

Stronger Engagement in General

Since 1999, Voith Paper machinery start-ups and orders in China represent a production capacity of well over two million t.p.a. in a wide range of grades. Including the capacity of previously installed machinery, the importance of the Chinese paper industry as a Voith Paper customer becomes very apparent.

For this reason, Voith Paper is founding a new company in Shanghai specialized in sourcing and assembly. Speed, flexibility and cost-effective procurement are only some of the reasons for this. Another reason is our corporate policy of transferring an appropriate portion of value-added to the country where Voith Paper earns a good deal of its income.

In this connection, cylinders and dryer section components are already being manufactured in Liaoyang – proving that with intensive know-how transfer, close teamwork, systematic quality management and certification, Voith's globally accepted production standards can be met in China for selected components. Additional companies will be included in this cooperation policy.

To ensure perfect coordination of technology, service, sales, customers and suppliers, the Voith Paper Representative Office in Peking will also be transferred to Shanghai.

Voith Fabrics will be significantly expanding production capacities in Kunshan, extending the line of products, offered so to also improve exports from China soon, not only to other Asian markets, but also to North America and Europe.

In the past, the market for stock preparation lines in China and several other countries has been served by Andritz. In view of the growing customer preference for complete single-source installations, including overall responsibility for optimal process technology from pulper to reel, Voith Paper will be terminating this cooperation with Andritz as of June 30, 2002. In the future, all stock preparation needs will be covered by Voith Paper in China, including service and spare parts for the systems previously provided by Andritz.

"We want to move ahead with our leading technology in the Chinese market, offering an outstanding performance worthy of our reputation. We want to be even more so a long-term partner to the Chinese paper industry, rather than merely exporting from Europe to China. By creating jobs in China, we want to uphold and increase the prosperity of this country and its people".

These were the words of Hans Müller, Managing Director of Voith Paper, at the new service center project presentation in Shanghai.