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Georg Fischer with a new plant in China

Global competition is driving foreign companies to China, thus accelerating the country's return to the top of the world's economy. Most of the investment is concentrated on the Pearl River Delta around Hong Kong, the Yangtze River Delta around Shanghai, and the region around Beijing. GF Automotive is currently building a new plant for the production of aluminum and magnesium pressure die cast components.

When the old foundry in Zhangjiagang no longer satisfied today's requirements and was reaching the limits of its capacity, Georg Fischer decided to build a new plant. Moreover, many customers desired direct delivery from China. The industrial belt around Suzhou offers the ideal prerequisites in this regard. GF Automotive quickly took advantage of this opportunity. The decision was made in 2004 and the corner stone was laid that same year. Production in the new plant will start in August 2005. The plant will be officially inaugurated on the 26th of October.

If you were to take a look at the surroundings from the roof of the new foundry, you would see yourself in the middle of a huge construction site. The sheer size alone of the Suzhou Industrial Park (240 square kilometers) gives an idea of the dimensions in the Middle Kingdom. Primarily well-known European companies have a presence here. Suzhou is the region with more construction currently in progress than anywhere else in the world. Therefore, it is not surprising that many foreign companies are active here with appropriate personnel staffing and that the infrastructure is outstanding. These are all reasons why Suzhou was considered as the new location.

The new plant is also a commitment – an obligation and at the same time an avowal of the importance of China as a location and of the producers that are active here. On-location manufacturing enables optimum response to specific market requirements, which also includes a clear focus on what is really necessary, and dispensing with the technically feasible. Instead, GF Automotive relies on the principle: proven technology, familiar parts, for established customers. Thus, the risk inherent in any foreign engagement can be limited right from the start. In order to respond to Chinese requirements in the best manner possible, research and development are also part of the Suzhou organization. There is no lack of up-and-coming, motivated, and qualified personnel. China is training two million engineers annually and is well on its way to becoming a high-tech country.

The new foundry in Suzhou is a model plant, which can be considered a showpiece. It will also serve as a reference site and facilitate access to new customers, who want to get an on-site impression of the company. Long before the plant was commissioned, we received extensive enquiries and the first new orders. The modern complex of glass, concrete, and aluminum is in the nicest part of the Suzhou Industrial Park and could just as well be in the USA or Europe. Both the exterior as well as the production equipment consistently embody the state of the art. The project has been developed by GF Automotive taking many European foundries into consideration. Then the plant was tailored to Chinese requirements with ensuing detailed planning in Suzhou.

The pressure die casting machines for the new plant are from Europe and will later be supplemented with the machine installed at the present location in Zhangjiagang. Most of the 40 permanently employed personnel will be transferred from the old plant to the new plant. An important knowledge transfer from Europe occurred as well. In multiple intervals numerous Chinese personnel came to GF Automotive in Altenmarkt, Austria for training. Total planning includes a maximum expansion to four building modules and approximately 24 machines. The plant extension will be modular and can be influenced in its temporal sequence of events. This lessens the investment risks. In addition, flexibility remains for the future development of the Chinese market.

In China, Georg Fischer meets up with an interesting competitive situation, as only approximately 2 percent of the installed pressure die casting machines are in the clamping force range of over 10,000 kN. And by European standards, pressure die casting in China is still in the development stage. GF Automotive now has the opportunity to quickly achieve European quality and safety standards via know-how transfer. With rewarding perspectives. Studies indicate that the Chinese pressure die casting market will more than double in the next five to ten years. GF Automotive has decided to concentrate on this segment because an increased demand exists for components that generally are manufactured in the high clamping force range.

All major automobile manufacturers are now represented in China and are in ever-fiercer competition. At the end of 2004, the Middle Kingdom produced more automobiles than could be absorbed by the domestic market. Specialists assume that China as the world's third largest automobile market will soon take the second position, behind the USA. Large Chinese groups such as the Shanghai Automotive Industry Corporation (SAIC) might soon appear on the world market. The first Chinese cars will be shown at this year's International Automobile Exhibition (IAA) in Frankfurt am Main.

With the new foundry, GF Automotive has taken up a strategically important position in good time and can grow with the market. This means that the number of customers is continuously increasing. In addition to European producers, an increasing number of Chinese automobile manufacturers will also be sourcing components from GF Automotive. Furthermore, the corporation also profits from the dynamics of the European-Chinese joint ventures. And GF is ready when certain future models will be manufactured in China in competition with Korea or Japan.