

The Automotive World Looks to Shanghai

Iserlohn/Shanghai The automotive industry is looking eagerly at China these days. Wednesday will be the start of what has become the world's busiest auto show in Shanghai. Suppliers from Germany, such as KIRCHHOFF Automotive, will not only be watching, but will also be present with their own booths.

The IAA is still ahead

"Everyone is represented at Auto Shanghai, if they do business in China," says Wolfgang Kirchhoff, head of the globally active Iserlohn-based company that manufactures body components. On display will be the latest welding and bonding technologies and lightweight construction concepts from the global company. A further developed system that improves the crash management of the entire vehicle will also be presented. "Especially with electric vehicles, load management is quite different from that of internal combustion engines," Kirchhoff explains. And electric mobility is setting the pace for growth in what is the world's largest sales market, with some 25 million vehicles sold annually. While the rest of the world is continuing to fight against the COVID-19 pandemic, normality already seems to be returning to China. A trade show of this size would be almost unthinkable elsewhere. Compared to the last International Motor Show (IAA) in Frankfurt two years ago, Shanghai had 25 percent more exhibitors on 50 percent more space with 75 percent more visitors. "China has a better grip on the pandemic," Kirchhoff acknowledges. Whether up to a million visitors will actually attend the show again this year starting from Wednesday, is thereby still a question. The sheer numbers alone are not all that matters, Kirchhoff believes, "The IAA is certainly still ahead in terms of innovations and importance - for now." Especially since the numerous exhibitors in China also include a large number of manufacturers that produce less complex cars that would not be sold at all in Europe. "But, China is gaining a lot, in terms of experience, especially in the field of electric mobility," Kirchhoff adds. Among the many new brands on the market, some are already customers of the German-based company. You shouldn't think of them as garage start-ups. Rather, they are mostly manufacturers with a lot of financial background, either through government support or "spin-offs" from large, financially sound corporations.

No Growth at Any Price

The Kirchhoffs' also see opportunities in the China market, but are by no means, recklessly putting all their eggs into this basket. "We want to and will continue to grow in China, but you have to take a closer look at what's happening in the country. That doesn't just apply to the issue of human rights." The state is a huge data collection factory and classifies not only its own population according to a points system, but also companies. What may currently be an advantage in the fight against the pandemic poses the danger, especially for foreign companies, of having to disclose company data without knowing what will happen to it. "We will take advantage of our opportunities, but we certainly don't want to become too dependent on the Chinese market," Kirchhoff clarifies. While some manufacturers in the industry were already making 40, 50 percent and more of their sales in China, the German-based company has deliberately set itself an upper limit in the low double-digit percentage range. It is true that one of four development centers worldwide is in China (one in North America and two in Europe). But the technologies of tomorrow and the day after tomorrow, will continue to be developed on home ground. In addition, the markets in Europe and America are just as important for Kirchhoff, "India, other countries in Asia, and Africa must not be forgotten either," emphasizes the CEO, who will not be in Shanghai in person this time due to the restrictive

quarantine regulations put in place for travelers coming into Shanghai. That is certainly a shortcoming. All the more reason for him to look forward to the IAA, which is to be held in Munich for the first time this year in September and aims to be more than just an auto show. Rather, it is a trade show that wants to showcase the mobility concepts of the future. Kirchhoff is convinced that, despite all the prophecies of an industry decline, the world will certainly continue to include car ownership: "People still want to be mobile, and that includes individual mobility."

Focus on Electric

Auto Shanghai opened to the press on Monday. From April 21 to 28, visitors will be welcomed to the innovations of the approximately 1000 exhibitors. In 2019, just under a million enthusiasts visited. This year, all major German manufacturers such as BMW, the Volkswagen Group and Daimler will be present. Daimler in particular will showcase the all-electric compact model EQB, the long version of the new C-Class and the new four-door coupes CLS; no less than three world premieres in China.

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