

# EN ROUTE

YUTONG NEWSLETTER

ZHENGZHOU YUTONG BUS CO., LTD

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- ★ Sensational!  
New generation road king for Africa – F12 (ZK6120D1)
- ★ Glorious Days——Nelson Mandela
- ★ Interviews of Yutong African Division
- ★ Top 10 events of Yutong Group in 2013



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# PREFACE

## Address of the President



Tang Yuxiang  
President of Yutong Group

As the new year approaches, I, on behalf of the management of Yutong Group, would like to extend my gratitude to all staff for your dedicated efforts and my sincere greetings and new year blessings to the family members of the staff and the friends from all sides who consistently concern and support the development of Yutong!

In spite of the international economic downturn and declining growth rate of domestic economy in China, the operating performance of Yutong Group hit record high in 2013 due to the endeavor and perseverance of Yutong people. Different strategies are being implemented and industrial layout is being carried out steadily: the Yutong bus sector has begun to implement the strategic planning according to the Five Main Guidelines, firstly transforming to the industrialization; Yutong Heavy Industries has determined the strategic direction of becoming larger and stronger; Lvdu real estate company adjusted its strategy, focusing on "development, speed, efficiency, effectiveness". The construction of Yutong Finance Building and new plant of Zhengzhou Jingyida Auto Parts Co., Ltd., as well as the relocation of Yutong Heavy Industries, marks that the magnificent and clear blueprint is turning into reality gradually.

Looking into the year of 2014, the macro-economy is not going well yet. But we will never stop our pace on the road of creating value and shouldering responsibility. New year carries new hope and new course leads to new dream. I sincerely hope, in the new year, all cadres and staff will adhere to the excellent cultural tradition, carry out work with pragmatic and innovative spirit, and strive for our common cause!

Based on the achievements in the last year, we expect a great progress in the coming year. On the occasion of arrival of the year 2014, I hope that all of you will continue to maintain high morale and make persistent efforts so as to embrace the New Year with the best performance!

Once again, thank you all for your endeavor and dedication on the development of Yutong undertaking. Wish you a very happy New Year and good luck!





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## CO2 emissions of new cars in Europe released

European Federation for Transport and Environment (T&E) released CO2 emissions of various car manufacturers' products in 2012. In the process of adjusting the medium-term objectives, expanding low-carbon vehicle incentives became an issue.

European Federation for Transport and Environment released the annual report about the condition of reducing the CO2 emissions from new cars of the major car manufacturers on September 9th. The report analyzes the average CO2 emissions of passenger cars from 15 major European car manufacturers in 2012, the required reduction rate for achieving the target of 2015 (an average of 130 grams per kilometer), and the condition of reducing the CO2 emissions in order to reach the target of 2020 (an average of 95 grams per kilometer).

2012 was the first year of the implementation of the "Super Credit" system, each low-emitting car with emissions below 50g/km will be counted as 3.5 vehicles in 2012. This was the first time to analyze sales conditions of the new cars and the cut trend of CO2 emissions of commercial vehicles by 2017.

European Union legislation set mandatory emission reduction

targets for new cars in 2009. Under the Cars Regulation, the fleet average target of 130g CO2 per km will be phased in between 2012 and 2015. From 2012, an average of 65% of each manufacturer's newly registered cars must comply with the limit value curve set by the legislation. This will rise to 75% , 80% , and even 100% upwards.

It is expected that major car manufacturers could reach the target of 2015 even without the incentives. With the expansion of the incentives, the reduction effects of CO2 emissions are likely to be weakened.

Around the target of 95g/km in 2020, driven by BMW and Daimler, there comes a trend that Germany started to relax the target. About the medium-term target, there has been a trend of conforming to the industrial intentions, such as phased down the target by 2020 and expanded the super credit. Bargaining with France and Italy which have car manufacturers and opposing to the environmental group have attracted attention. Around the discussion of the medium-term target, the countermove from the industry becomes increasingly active.



## Global automobile market ushered in recovery season

It is reported by foreign media that, the global market economic depression brought serious economic damage to the world's automakers. But in the next few years, major automobile manufacturers will usher in a period of recovery.

An analyst from an authoritative automotive consulting company revealed to the media that, the frequent launch of new models by the world's major automobile manufacturers will result in the rapid expansion of the global automobile market, which will increase the manufacturing burden on automotive parts enterprises as well. In addition, Director of Forecasting Models - Mike Jackson from CSM Worldwide consulting company of North American said to the media that, currently the North American automobile market is stable, the future market is widely considered to be rosy.

According to related statistics, the sales volume of U.S. auto market sales has recovered from 10.4 million units in 2009 to 15.5 million units in 2013. Mike Jackson says the U.S. auto market sales will

continue to maintain the growth trend over the next four years, but the trend of sales growth will gradually slow down in the future.

The slower sales growth rate of U.S. auto market will bring tremendous competitive pressure to U.S. domestic auto manufacturers. Major U.S. car manufacturers plan to launch up to 57 new models in 2014 in order to gain more market share in the highly competitive U.S. auto market in 2014. Meanwhile, the sales growth rate of the global auto market is expected to reach 22% in the next four years. By then, the global automobile market sales will increase from 82 million units of this year to one hundred million units in 2018.

The economist Charles Chesbrough from CSM Worldwide said to the media that, including Europe, the development of global automobile market is widely considered to be rosy. For global auto makers, currently, the areas which have the most potential in the global market are areas like China, Thailand, Brazil and Chile.



## EEC removes duties for EV imports



Interfax News Agency Moscow December 23: the Eurasian Economic Commission decided to remove the 19% import duty levied on electric cars imported to the Customs Union from February 1, 2014 to December 31, 2015, but the hybrid vehicles are not included.

## Localized Michelin (China) doubles production capacity

Recently, Philippe Vermeul, chairman of the board and president of Michelin (China) Investment Co., Ltd. expressed in an interview with Internet Info Agency: China has become the world's largest market of new vehicles for consecutive three year, so we think it is the most important market. In the next twenty years, China's aftermarket (referring to tire business) will be the sum of North America and Europe. Knowing the importance of the Chinese market, Vermeul also pointed out that Michelin's total capacity in China will be doubled after the completion of the plant in Shenyang, Liaoning province. Meanwhile, the channel construction will also be increased greatly.



## China's annual bus output and sales reach 563,000 and 559,000 units in 2013

In 2013, the annual China's bus output (referring to whole vehicles and chassis) was 563,000 units, up 11.19% year-on-year while the sales volume reached 559,000 units, an increase of 10.16% than the previous year. Among them, the output and sales volume of whole vehicles are 482,600 units and 477,100 units respectively, up 13.35% and 12.11% respectively. The output and sales volume of bus chassis are 80,500 units and 81,800 units respectively, down 0.18% and up 0.03% year-on-year respectively.

Seen from the bus size, the output and sales volume of large buses are 79,200 units and 79,100 units respectively, up 5.35% and 5.22% than the previous year respectively. The output and sales volume of large bus chassis are both around 2,600 units, down 35.45% and 35.55% year-on-year respectively.

The output and sales volume of medium buses are over 70,000 units and nearly 69,000 units respectively, up 0.72% and down 2.11% than the previous year respectively. The output and sales volume of medium bus chassis are both around 20,000 units, up 4.86% and 1.96% year-on-year respectively.

The output and sales volume of light buses are 332,900 units and 329,300 units respectively, up 18.64% and 17.51% than the previous year respectively. The output of light bus chassis is 57,000 units, up 0.58% than the previous year. The sales volume of light bus chassis is 58,000 units, an increase of 1.86% year-on-year.

## Zimbabwe to raise ethanol blending in petrol to 20%

The state media of Zimbabwean government announced a plan: to increase mandatory blending of domestically-made ethanol in petrol from 5 percent to 20 percent by March 2014 in a bid to cut fuel import costs.

Zimbabwe ordered to use mandatory blending petrol in August, starting with E5 which comprises 95 percent petrol and 5 percent of ethanol. The first three months of the use of mandatory ethanol blending petrol -- with E5 and later E10 -- saw the country's fuel import costs drop by nearly 200,000 US dollars, said the state newspaper The Herald.

By March, the government expects the ethanol blending rate to reach 20 percent, it added. Zimbabwe is a net importer of petrol. It consumes an average 1.5 million liters of petrol a day but the consumption is expected to rise due to an increase of car owners.

## European commercial vehicle sales rise for three consecutive months



Recently, European Automobile Manufacturers Association released the sales statistics of European commercial vehicles in November. In November, new registrations of European commercial vehicles were up 8.9%. From January to November, the new registrations dropped 1.7%.

In November, new registrations of European commercial vehicles reached 152,439 units, growing for the third consecutive month. All segments benefitted from the upturn. France was the only market to contract (-2.2%), while Italy (+1.1%), Germany (+10.0%), the UK (+22.8%) and Spain (+26.0%) performed better than in the same month last year.

From January to November, the EU recorded 1,541,856 new commercial vehicles. Results varied across markets as the Spanish (+6.3%) and the UK (+10.7%) expanded, while the German (-4.3%), French (-5.5%) and Italian (-14.2%) faced a downturn.

The bus market saw a slight increase and results varied across markets.

In November, the EU counted 2,708 new bus and coach registrations, or 5.5% more than in the same month a year ago. Germany remained the largest market in spite of a 2.1% downturn. All other major markets saw their demand for new buses and coaches increase, from +8.5% in Italy to +8.8% in France, +30.0% in Spain and +38.1% in the UK.

From January to November, the UK proved to be the largest market (-7.2%), followed by France (+9.7%), Germany (+6.8%), Italy (+3.1%) and Spain (-3.8%). Over eleven months, the number of new bus and coach registrations over 3.5 tons remained stable (-0.0%), amounting to 28,807 units.



## Yutong delivers half of the quantity of Venezuelan order in 2013



An insider of Yutong Bus said recently, Yutong has delivered over 1,100 units for the 2,000-unit order of Venezuela, achieving the goal of delivering 1,000 units in 2013.

Based on the partial shipment size of about 300 units, Yutong sent 307 buses to Venezuela in October and over 300 units in November. In December, Yutong delivered another batch of buses, thus achieving the goal of delivering 1,000 units by the end of the year.

It is said the exchange rate of the order has been fixed to avoid the fluctuation risk of exchange rate. And Yutong has already received the advance payment, so the payment is not a problem.

Yutong signed a 2,000-unit order and public transportation management system contract of about USD\$350 million on September 22, 2013 with FONTUR company which is subordinated to the Land Transport Ministry of Venezuela.

## First inductive wirelessly charged electric bus hits UK roads



UK's first wirelessly charged electric bus fleet will begin operating along a busy bus route in an England city -Milton Keynes from the end of this month.

The designer says that the buses would be able to run for one day. The buses which could be recharged by inductive charging device are produced by the British company Wrightbus. After a night charging at the depot, the buses will receive booster charges for ten minutes a time throughout the day with the plates buried at the start and end points of the route before resuming service.

The electric bus fleet is operating as a five-year, multi-partner trial program by the European division of Japanese company Mitsui and UK engineering group Arup.

Similar systems are already being used in Turin and Genoa in Italy, Utrecht in the Netherlands and in Mannheim in Germany. Last year, South Korea switched on a 12km road which can recharge electric vehicles as they drive over it, without the need for vehicles to stop at all.

## Nigeria hikes import tariffs on automobiles

To enhance the local automobile industry, Nigeria adopted a series of fiscal measures to restrict automobile imports and encourage local assembling of automobiles recently. It is learned that, from 2014, the import duties on automobiles will be adjusted as follows:

1.The import duties for passenger cars with HS code of 8703 will therefore suffer a substantial hike in taxes from 20% to 70% – an import duty increased from 20% to 35% and an additional levy of

35%.

2.The import duties for CBU commercial vehicles with HS code of 8701, 8702, 8705, 8706, 8707 and 8716 will suffer a substantial hike in taxes from 10% to 35% – an import duty increased from 10% to 35% and no additional levy.

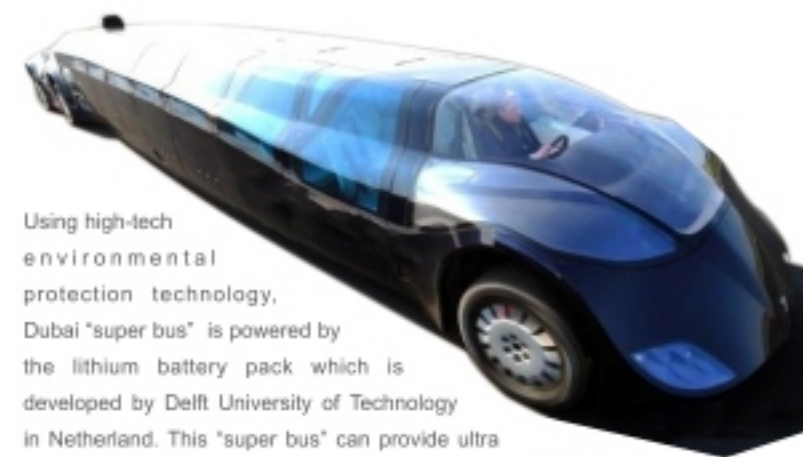
3.The local vehicle assembly plants shall import in accordance with the following policy:

(1)The import duties of CKD parts will be reduced to 0% from the current 5%, and the import duties of SKD parts will be 5% only.

(2)The vehicle assembly plants can enjoy preferential import tariffs under the quotas, in particular: import CBU passenger cars and commercial vehicles with import duties of 35% and 20% respectively without additional levy, when the CBU numbers equal to twice their CKD/SKD kits.

4. Tire imports will be imposed a 20% tariff and 5 % VAT. Local tire manufacturers, within two years after the start of production, can enjoy a preferential tire import tariff of 5% under the quota of twice its tire production capacity.

## Super bus launched In Dubai cost USD\$11.2 Million



Using high-tech environmental protection technology, Dubai "super bus" is powered by the lithium battery pack which is developed by Delft University of Technology in Netherland. This "super bus" can provide ultra comfortable and luxury journey for 23 passengers with 15-meter long, 2.5-meter wide and 1.65-meter high body, and has 8 gull-wing doors.

Its highest speed can reach 250 km per hour and a special lane from Dubai to Abu Dhabi will be set up for the bus. It takes only half an hour to cover the 124 km between the two cities with this bus. It will greatly reduce the operating frequency between the two cities, which is specially designed for group customers.



## Sensational! New generation road king for Africa – F12 (ZK6120D1)



In the spring of 2014, ZK6120D1, the upgraded version of the classic bus model ZK6116D which possesses a lot of customers and good reputation, will be grandly launched in Africa, opening a new era that Yutong leads the development of African bus market.

It is learned that ZK6120D1 will officially appear in front of the African customers in April. Taking use of the advantages of sophisticated quality and well-established brand reputation, Yutong upgraded the ZK6116D from the appearance, safety, power performance, handling and driving experience, etc., thus removing the cheap image of Chinese buses in the minds of African consumers and creating a new standard for Chinese buses entering the African market.

**Yutong brand to bring new revolution to the African bus market**

China Yutong, which was once the synonym for the best-selling

brand of Chinese large and medium-sized buses, is one of the most representative brands in China's bus industry. Along with its growth, Yutong has created numerous classics and legendary.

During the past decades, Yutong has gradually become the pioneer of Chinese bus brands going global, and the African market is a place of strategic importance for Yutong in exploring the overseas market. In the year of 2014, the African bus market enters in a new consumption era and the consumption demand is waiting for profound changes. Yutong, who always adheres to the independent innovation, is committed to improving the technological content of products and providing powerful, safe, comfortable and sophisticated bus products to the African market. The upcoming new bus model will likely bring a new round of booming trend to Yutong's development in the African market.

Early at the beginning of the development and design of the bus

model ZK6120D1, the project team had visited customers in Tanzania, Zimbabwe, South Africa and so on many times to investigate the target customers, and then integrated the collected information on all aspects into the product design and development, thus achieving the five breakthroughs on Yutong ZK6120D1 bus model.

For the body structure, the lowered engine and adjusted approach and departure angles create a full flat floor and improve the trafficability of the vehicle; for the compartment structure, the swing-up front wall cover and out-swing electrical box, as well as the additional tool cabinet, provide an easy access for repair and maintenance; for the exterior design, the split front windshield and separated rear lamps facilitate the repair and maintenance and reduce the maintenance costs; for the safety aspect, the additional

front bumper and raised lower edge of the front windshield further fit the road conditions of Africa and enhance the safety guarantee; for the interiors, ZK6120D1 has luxury and economical versions to cover various usages, thus providing differentiated options for customers and further improving the ride and driving experience of customers.

It is learned that Yutong will hold the ZK6120D1 launch ceremony in Tanzania and Zimbabwe in April and May. When the time comes, Yutong will invite the relevant local media and customers to join the event. Based on the solid customer loyalty and excellent reputation established by ZK6116D in the African market, the launch of ZK6120D1 marks Yutong's step to further explore the African market.





## Year-end appreciation campaign for American customers held in Cuba



The year-end appreciation campaign and beach volleyball match were held in Varadero, Cuba on December 12-14, 2013. Through the well-prepared planning and organization, the event has invited 118 old and new customers from nine countries like Cuba, Dominica, Mexico, Costa Rica, Uruguay, Peru, Colombia, Ecuador and Trinidad and Tobago.

Zhang Tuo, Chinese Ambassador to Cuba, and Roberto Ricardo, the first deputy minister of Transportation of Cuba, also attended the event and delivered speeches. Since the event came before the

arrival of Christmas, so it has not only enhanced the relationship between Yutong and customers, but also made the customers have a deep understanding of Yutong's development history, new technology and R&D of products, which would lay a positive role in promoting the sales in the local market in the next year. In addition, the customers from Cuba, Uruguay, Peru and Costa Rica also shared their cooperation experience with Yutong with other attendees and spoke highly about Yutong's products and services.







## Yutong's new product for Africa - ZK6120D1

□ Written by Chang Kai



Brand new interiors

Trafficability

Lowered engine

Run-through luggage compartment

Easy access to repair and maintenance

ZK6120D1 is a brand new product developed by Yutong according to the relevant African laws and regulations, road conditions as well as driving habits of African customers, and it is also an upgraded product of ZK6116D which has been sold in Africa for years.

This bus model to be launched targets the high-end passenger transportation market and commuter market in Africa, which follows Yutong's consistent design appeal to give passengers a safe and comfortable riding environment. Meanwhile, Yutong also integrates

the riding experience of passengers into the product value of ZK6120D1 so as to fit customers' demand on the functionality and safety of Yutong products.

In order to ensure that ZK6120D1 conforms to the characteristics of the African market, Yutong strictly controlled the new product development process.

Early at the beginning of the development and design of the bus

model ZK6120D1, the project team had visited and investigated customers in Tanzania, Zimbabwe, South Africa and so on many times. Combining the preferences of African customers, Yutong determined the mighty appearance of the vehicle with upgraded interiors and environmentally friendly materials. To ensure the reliability of the vehicle, the brand new ZK6120D1 has undergone 18,000km comprehensive road test. The engineering development and quality assessment covered the whole vehicle tests like whole vehicle strength, noise, cooling, power performance, fuel economy and so on, as well as reinforced parts and components tests under various conditions.

The lowered engine technology creates a full flat floor inside the vehicle without steps, providing an easy access for the boarding and alighting of passengers. The adjusted approach and departure angles and 430 mm ground clearance of side wall edge improve the trafficability of the vehicle. The additional front bumper and raised lower edge of the front windshield further fit the road conditions of Africa and enhance the safety guarantee. The split front windshield and separated rear lamps facilitate the replacement and reduce the



maintenance costs. The out-swing electrical box is convenient for customers to conduct repair and maintenance. The swing-up front wall cover provides an easy access for repair and maintenance. The additional tool cabinet provides a place for tools storage. In order to improve the ride and driving experience of customers, the luxury and economical versions of F12 can cover various usages. The seats layouts of 56+1 and 66+1 offer differentiated options for customers, which ensure both the ride comfort and the profitability of customers.







## Photosynthesis of 'people, vehicles and roads'

—Discussion about the cooperation trend between Yutong and customers

### 1. Construction of competition barriers

For a bus builder, the scarcity and reliability of customers make the maintaining of long-lasting customer relationship very important. Therefore, if Yutong wants to become a company that would endure, it needs to have a very strong competition barrier so as to win the favor of customers for a long time.

The requirements of customers vary along with the competition change of the industry. What the customer needs is not just the "supply-demand relationship" and also not limited to quality products and services. Regardless the size of companies, they all have much expectations on the cooperation. And the expectations are precisely the approach to the construction of competition barriers.

### 2. Photosynthesis of 'people, vehicles and roads'

When asked about the "How does the relationship look like between you and Yutong", a customer answered after thinking for a moment: "Partnership." This kind of partnership is not just based on the existing "strategic partner", and not based on the supporting relation of finance and services either. Seen from the perspective of "people, vehicles and roads", passenger transport companies, bus builders and government all have a common goal, which is transporting the people from the departure place to the destination safely and comfortably. Customers believe the future partnership shall go towards this direction, and this is their understanding of "partner".

The "people, vehicles and roads" in the passenger transport industry are like chlorophyll, water and sunshine, bringing the passengers to their destination safely through the process of photosynthesis.

#### Aspect of 'passenger experience' – era of Passenger Foremost is nearing

Many customers have mentioned the importance of passengers on different occasions and from different perspectives. Although the passenger transport companies are still in their infancy, many of them have already realized the importance of passenger satisfaction and proposed the idea of taking services as the competitive weapon. Therefore, the passenger experience is meant to become a focus for passenger transport companies to win the market share. For bus builders, how to adapt to market demands, and even guide the market demands, is a subject that we must pay attention to in the near future.

#### Aspect of brand – brand building is a must

There are two typical brand promotion modes in the shampoo market: P&G, relying on its



reputation amid customers, pull supermarkets to introduce its products; while SLEK pays high fees to supermarkets for on-site promotion. China's bus industry is like this: most bus makers are making great efforts to attract customers like SLEK, rather than using the end users – passengers as the pulling force of the passenger transport companies. This is caused by the underestimation of the importance of passenger experience.

Since the customers pay more and more attention to passengers, B2C brand communication also becomes increasingly important. If Yutong becomes an excellent brand widely recognized by the public, our customers will tell the passengers "We are using Yutong buses", as we usually claim that we are using engines of a certain brand. For the brand building requires a long period of time, right now there are few companies attach great importance to brand building from the aspect of B2C, so the sooner we begin to act, the better.

#### Aspect of safety – from essential to enjoyable

Nowadays, the safety situation of the bus industry is still grim. Due to the frequent accidents, the safety crisis of the industry has made the brands gradually lose the safety guarantee which is expected by the public. In this context, the safety is not only an essential and basic factor, but also a strong guarantee of brands. This is an eternal topic. In respect of the safety, we can not content ourselves with what we have done well, and can not remain at the aspect of technology and products either. To provide more safety solutions to customers will surely become the enjoyable factor of customers on brands.

#### Aspect of service – what we bring to our customers

Reviewing the praises given to Yutong by customers, one thing is in common: "solving problems for customers first". When it comes to problems, Yutong may put anything aside and solve the most-concerned problems of customers first. On one hand, we can get the recognition of customers, and on the other hand, we can see the reliability of products really matters, since down time means the loss. We used to focus more on products themselves to form a good reputation. But based on the service philosophy of "solving problems for customers first", the product reliability will become an important part of Yutong's reputation. What we provide to our customers is not only a reliable product, but also a series of solutions to ensure the smooth operation of vehicles.

#### Aspect of culture – the same 'bio-wave'

Why have the customers worked with Yutong for years? "Similar bio-wave, same temper and sincere treatment" said a customer, other customers expressed the guideline is "cultural

similarities." What they are talking about is one thing: "operating enterprise is like being a man." Since Yutong's corporate culture which backs the corporate behaviors is recognized and triggers a resonance, the long lasting relationship of over ten year can still remain. The corporate culture is not just the words printed on the manual, but rather embodied in the company's systems, policies and behaviors.

### 3. Photosynthesis makes us closer

In the modern society, more and more convenient and extensive travel options are available. In the future, people will have more choices, and the transportation industry of the whole society is developing and improving continually so as to meet the needs of people's travel. In the transportation revolution, there is not only the competition among enterprises, but also the inter-industry competition, and this competition will drive the integration of the industry. The integration of "people, vehicles and roads", as our customers said, is like a photosynthesis, which makes the cooperation between the customers and Yutong closer and stronger, thus ensuring the better travel of more people.



## Enter the Africa

Written by Wu Zhijie

"Africa is a potential market for the export of Chinese buses."

"On the way to overseas market, Africa market is no doubt the best gateway for Chinese vehicle manufacturers."

"Chinese vehicles have very good cost performance. Therefore, compared with European or American counterparts, even Japanese or Korean counterparts, Chinese vehicles are more competitive."

Insiders from the industry often mention the above words when they are talking about the African market.

As the world's second largest continent, Africa has nearly one billion people, accounting for 15 percent of the world's total. The overall GDP reached USD2.572 trillion, USD2, 975 per capita. The trade between Africa and China has seen a tenfold increase since 2001. In 2008, the Chinese trade amount with Africa reached USD 100 billion, taking up four percent of the total African GDP. The market size is quite impressive, and many international institutions are becoming increasingly interested in the economic modernization of emerging African countries.

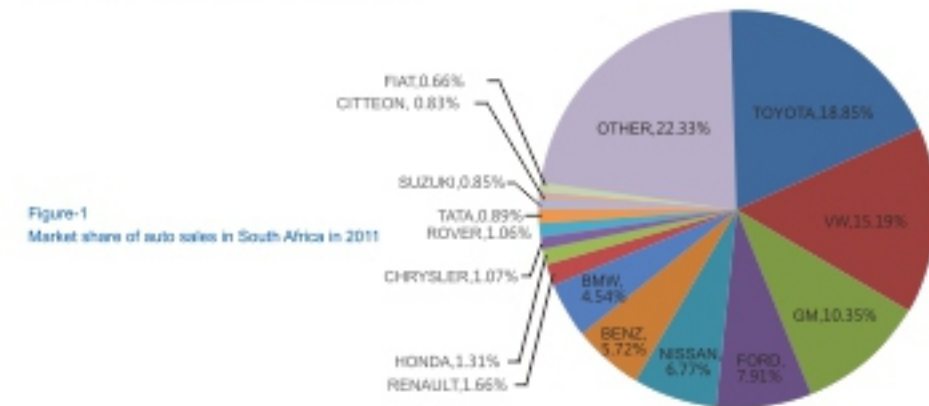
Especially in 2013, the auto sales volume in African market reached 1,000,000 units. In the next ten years, the development potential of the African auto market may be comparable with that of South America. However, the auto industry in Africa is very backward, largely depending on auto imports. Chinese vehicles are suitable for African users due to their good cost performance, ride comfort and appealing appearance. Therefore, Chinese autos exported to Africa have obvious competitive advantages. Relying on the vast market potential in Africa, China's auto industry has made some achievements. In the future, Chinese auto makers will accomplish more in Africa. "To Chinese bus builders, Africa is a land full of chance," people from the industry of China said.

Since the imbalanced economic development of the African market, there are many uncertain factors for bus exports. In addition, although public transport services are available in many urban areas of Africa, overloading situation can usually be seen in public city buses and private minibuses. In some areas, poor driving skills and bad road conditions also become the hidden risk of the public transport.

Because of the market potential and stern reality in Africa, Chinese buses exported to Africa must be modified in order to fit the tough operating environment, like reducing the engine emissions, increasing the ground clearance and reinforcing the vehicle body, so as to extend the service life to the maximum while ensuring the safety. Yutong always conducts the new bus development in accordance with the above criteria, like the ZK6120D1 to be launched to the African market.

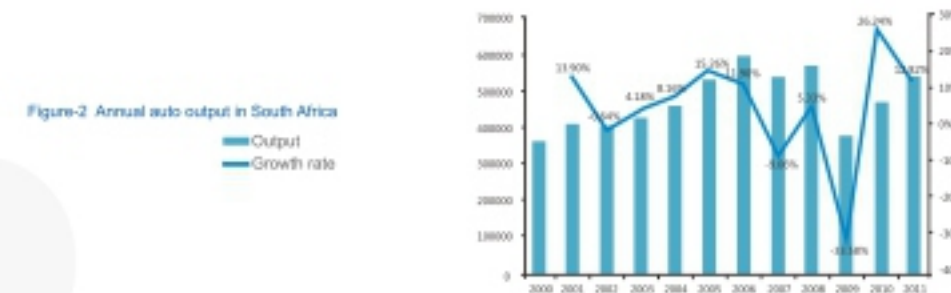
Besides the suitable product, we also need to have suitable sales method. We sell not only products, but also ideas. We should do some modification in marketing way. Nowadays, African countries attach great importance to FDI and offer preferential policies and tariffs to foreign investors of auto industry. And Chinese auto manufacturers began to increase the investment in Africa for localization. For the exports of CBU buses to Africa, the prices will become very high when taking the freight, custom duty, tax and dealer's margin into account, which decrease the competitive ability of Chinese products in the local market. It is suggested that we should modify the marketing method step by step from selling products to localization when we choose to sell products as the first step. So the conclusion is that we need to have the suitable products with suitable selling ways, which will increase our sales volume and competition in the African market in the future.

There are many ways to choose, such as localization in Africa. The best way is to choose a country or market in which the international auto brands can't monopolize under inadequate competition, such as South Africa. In South Africa, the concentration of international brands is insufficient which provides chances for Chinese auto manufacturers.



In South Africa, the market share of auto sales in 2011 is indicated as figure-1. The No. 1, TOYOTA took up only 18.85% of the country's total sales. So there is still chance for Chinese counterparts, since TOYOTA entered the market early in 1961. The competition is not so fierce.

For Chinese auto manufacturers, the GW has invested USD 1.5 million for its 78 dealers' outlets, and BAIC has set up the JV with IDC to assemble mini buses with an investment of nearly USD 7 million and an annual production capacity of 9,400 units. Although the steps of Chinese auto manufacturers are a little slow, they are exploring the market in South Africa at least.



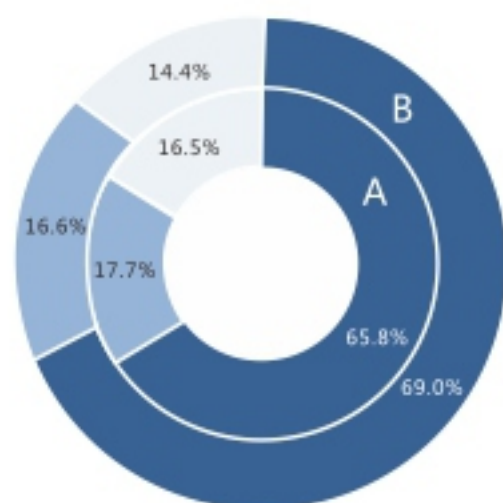
In South Africa, the annual auto output is nearly 600,000 units which means that the auto ancillary industry is relatively complete.

According to the experience of multinational enterprises, from pure trade to step-by-step localization is an inevitable process for the innovation of development modes and increase of market share. This is also a trend in the industry. Of course, the important premise is large-scale production capacity, reliability of products, after-sales service, spare parts supply and so on. Therefore, how can the large enterprises like Yutong deepen the localization and explore new relationships with customers based on the traditional marketing ideas and existing advantages is also an important issue which needs to be faced in the future.



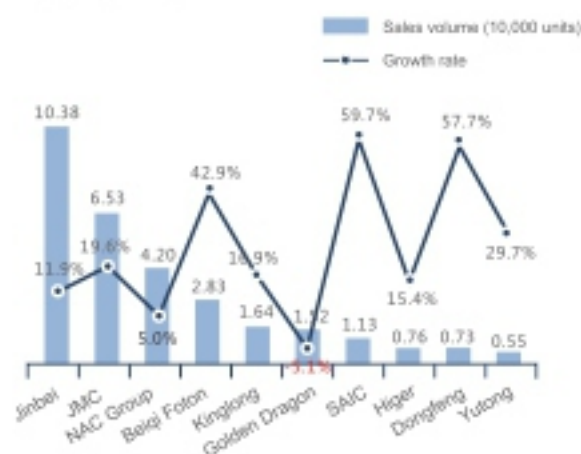
## Analysis of sales scenario of buses in China 2013

Fig.1 Sales scenario of buses in China 2013



A 2012 B 2013 ■ Light bus ■ Large bus ■ Medium bus

Fig.2 Top 10 light bus sellers in China 2013



Along with the recovery of China's macro-economy in 2012, the commercial vehicle market reversed the downturn trend. The bus sector saw a good performance in 2012 and was still better than the whole commercial vehicle industry in 2013.

Due to the recovery of China's macro-economy and accelerated urbanization of the state, the bus market saw a rapid growth in terms of the sales volume. According to the statistics, the total sales volume of buses (referring to CBU, excluding non-CBU) in 2013 reached 477,100 units, up 12.1 percent year-on-year, higher than the 6.4 percent growth rate of commercial vehicle industry.

### Sales scenario

The light buses contribute a lot to the overall growth of bus market while the sales volume of medium-sized buses declined.

In the bus market, the sales volume of light buses which owns the largest proportion has a highest growth rate and its proportion is further increasing. In 2013, the total sales volume of light buses was 329,300 units, a 17.5 percent increase than the previous year, accounting for 69.0 percent of the total bus sales volume, increasing by 3.2 percent from 65.8 percent in 2012.

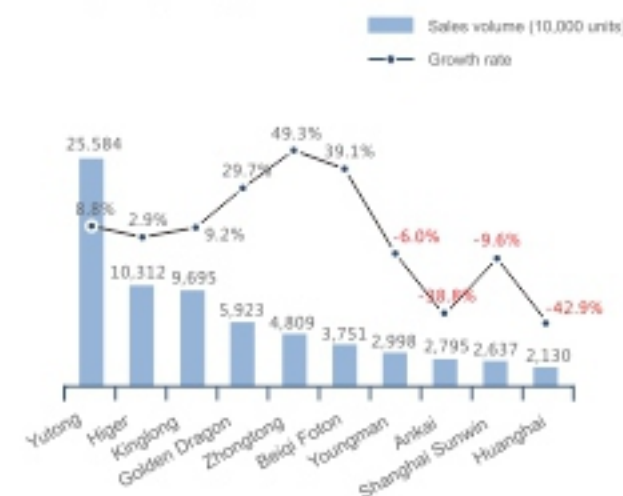
The sales volume of large buses also increased, but with slight growth rate. In 2013, the sales volume of large buses reached 79,100 units, up 5.2 percent year-on-year, making up 16.6 percent of the total bus sales volume. However, the sales volume of medium buses decreased and reached 68,700 units, down 2.1 percent year-on-year, accounting for 14.4% of the total sales.

### Major companies

For light buses, most companies saw a high growth rate while the sales of Golden Dragon declined.

In the light bus market, the top 10 light bus sellers in China 2013 are Jinbei, JMC, NAC Group, Beiqi Foton, Kinglong, Golden Dragon, SAIC, Higer, Dongfeng and Yutong respectively, among which the sales volumes of most companies grew by double digits,

Fig.3 Top 10 large bus sellers in China 2013



especially the SAIC and Dongfeng companies with a growth rate of nearly 60 percent.

Jinbei Automotive Company, the Top 1 seller, delivered 103,800 light buses in 2013, an 11.9 percent increase than the previous year, holding a safe lead in the market compared with other light bus counterparts. The gap of sales volume between JMC and Jinbei remains large, but is narrowing. JMC's sales volume of light buses has been increased by 20 percent to 65,300 units, whose growth rate is higher than that of Jinbei. The NAC group is ranked third with a sales volume of 42,000 units, up 5.0 percent than the previous year.

The only exception of the top 10 sellers is Golden Dragon, instead of growing, its sales volume decreased to 15,200 units, down 5.1 percent year-on-year.

In the market of large and medium buses, Yutong still stays on the leading position. In 2013, its sales volumes of large and medium buses are 25,600 units and 25,000 units respectively, which are much higher than that of other companies, up 8.8 percent and 4.4 percent year-on-year respectively. The Higer and Kinglong are ranked second and third, whose sales volume increased in large bus area but declined in medium bus area.

Seen from the large bus market, Higer, Zhongtong and Beiqi Foton are in the fourth, fifth and sixth position, with growth rates of 30 percent and above, especially Zhongtong, an increase of 49.3 percent. The companies ranked from 7th to 10th all saw a decrease in the sales volume, Ankai and Huanghai have the largest decline, falling by 38.8 percent and 42.9 percent respectively.

For the medium bus market, FAW Toyota saw the most rapid growth among the top 10 medium bus sellers, whose sales volume rose to 5,541 units, an increase of 14.6 percent than the previous year. The growth rates of Golden Dragon and Dongfeng are 6.5 percent and 2.9 percent respectively while the sales volumes of Ankai, Shaolin, Zhongtong and Yaxing all declined. Among them, Zhongtong has the largest decline of 35.7 percent.

Fig.4 Top 10 medium bus sellers in China 2013





## Top 10 events of Yutong Group in



01/ The operating performance of Yutong Group hits record high

02/ Yutong granted the title of 'National Technology Innovation Model Enterprise'

03/ Yutong appears at the Busworld Kortrijk with two world premieres

04/ Yutong signs 2,000-unit city bus order with Venezuela

05/ Yutong's daily bus output exceeds 310 units

06/ Yutong Rectri technology opens a new era of new energy buses

07/ The development of Yutong new energy buses has enormous momentum

08/ Yutong LCC creates new idea of buses

09/ Yutong Heavy Industries moves to new industrial park

10/ Yutong actively shoulders the social responsibility



## 01/ The operating performance of Yutong Group hits record high



A scene of Yutong plant

In spite of the international economic downturn and declining growth rate of domestic economy in China, the operating performance of Yutong Group hit record high in 2013 due to the endeavor and perseverance of Yutong people. The Yutong Group totally delivered 60,010 units of buses and construction machinery, up 8.2% year-on-year, among which 56,068 units are buses and coaches, an 8.47% increase compare to the last year. The turnover of Yutong Group



Delivery of Yutong buses

reached 33.058 billion yuan, a rise of 9.1% than the previous year. The comprehensive management level, operational management capability and staff status of Yutong Group have been increasing continually, and its core competitiveness and the ability against risks are also improved. The Yutong Group keeps a sustained, healthy and stable development trend.

## 02/ Yutong granted the title of 'National Technology Innovation Model Enterprise'



Postdoctoral workstation

The Ministry of Industry and Information Technology and the Ministry of Finance jointly announced the list of National Technology Innovation Model Enterprises 2013 on Oct. 23. With the outstanding performance in terms of the technology innovation, Yutong was recognized as the "National Technology Innovation Model Enterprise", becoming the only one in China's bus industry which was granted the title. At present, Yutong undertakes 11 national projects, like the National 863 Program, National New Energy



Aerial view of Yutong Plant No.2

Automobile Industry Technical Innovation Project and National Major Achievements Transformation Project, and has mastered a number of key automobile technologies with independent intellectual property rights. Yutong has been also been involved in drafting 69 national and industrial standards, and obtained totally 662 patents. Getting the title not only reflects the recognition of the state on Yutong's innovative ability, but also further highlights Yutong's leading position in China's bus industry.

## 03/ Yutong appears at the Busworld Kortrijk with two world premieres



A scene of launch ceremony

The Busworld Kortrijk 2013 kicked off in Kortrijk, Belgium on October 17. Yutong brought two new bus products with Euro VI engines to the bus show, namely ZK6121HQ school bus and ZK6938HQ intercity bus. Both of the two products reflect Yutong's consistent brand appeal of safety, durability, economical efficiency, environment friendliness, comfort and so on. Hu Fengju, VP of international business of Yutong Bus Company, hosted the bus launching ceremony. In addition, Liao Liqiang, Chinese ambassador



Unveiling of new buses

to Belgium, Luc, founder of Busworld, and other distinguished guests were invited to unveil the new buses. The guests praised the workmanship and technology of the two new Yutong buses. The appearance of the two Yutong buses with Euro VI engines at the exhibition not only represents the highest level of China's bus technology, but also marks that Yutong has made a step further on the road to the European market.

## 04/ Yutong signs 2,000-unit city bus order with Venezuela



Tang met with Venezuelan President Maduro

As the invited enterprise representative of China-Venezuela Senior Mixed Committee, Tang Yuxiang met with Venezuelan President Maduro at the Diaoyutai State Guesthouse in Beijing on September 22, and conducted an in-depth exchange on the cooperation issues of both parties. During the meeting, Maduro highly praised Yutong's outstanding contribution to the development of Venezuelan public transport. Early in 2008, Yutong had entered the Venezuelan



Buses for Venezuela ready for shipment

market. In 2011, Yutong concluded a 1,216-unit contract with Venezuela. In September 2013, Yutong again signed a 2,000-unit city bus order of USD 353,000,000 with Venezuela. The bus models include city buses and intercity buses of 9m and 11m as well as articulated buses of 18m. These buses will meet the travel demand of 38 cities in 23 states of Venezuela, benefiting more than 16 million people.



## 05/ Yutong's daily bus output exceeds 310 units



Aerial view of Yutong Plant No.1

In order to improve the overall operation level of the production system, the two plants of Yutong Bus Company, working together with the departments of order center, technology, production process, logistics and quality assurance, increased the daily production capacity from 285 units in 2012 to over 310 units in 2013 through



Yutong buses on the assembly line

optimized production scheduling, good preparation before production, optimized internal logistics and removal of technical difficulties, effectively supporting the realization of the company's annual production target.

## 06/ Yutong Rectri technology opens a new era of new energy buses



Launch ceremony of Rectri

Rectri, Yutong's core technology on fuel-saving and new energy buses, was officially launched on Nov. 26, getting a lot of attention in the industry. Based on the whole-vehicle controller, five-in-one motor controller and composite power controller, the Rectri overcame the three big technical difficulties, formed the Yutong electric drive platform and realized energy-efficiency and emission reduction via electrification and intelligentization. This technology can be widely



Presentation of Rectri technology

used on plug-in, hybrid, electric and other energy-saving and new energy buses, and provide customers with a complete solution to pure electric drive. The launch of Rectri not only vividly conveys the value of Yutong new energy products, but also will effectively trigger a new round of transform in the field of green bus technology and open a new era of new energy buses.

## 07/ The development of Yutong new energy buses has enormous momentum



Yutong new energy bus

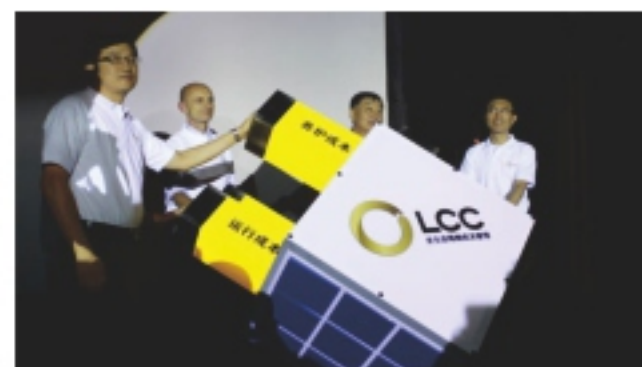
On the first session of the 12th National People's Congress held on March 5, Tang Yuxiang, as a NPC deputy, firstly proposed "Suggestions on Speeding up the Popularization of and Enhancing Demonstration Scale of Hybrid Electric Buses", which resonated in the public. On September 17, a new round of subsidies policy was released in China. Yutong plug-in hybrid city buses, due to their superior performance, became popular in the market very quickly.



Yutong new energy bus models

Compared with conventional fuel buses, Yutong plug-in hybrid buses can cut fuel consumption by 50 percent and reduce PM emission by 91.8 percent. In 2013, Yutong kept an enormous momentum and totally delivered 3,897 new energy buses, up 116% than the previous year, making an important contribution to the construction of a good life environment.

## 08/ Yutong LCC creates new idea of buses



Start-up ceremony of Yutong LCC

Yutong LCC strategy release and LCC project start-up ceremony was grandly held at Beijing Automobile Museum on June 4. The LCC marketing idea was firstly proposed by Yutong, which aims to promote the establishment of a rational, systematic, comprehensive and objective procurement decision-making mode in China's bus industry, thus effectively reducing the full life-cycle cost of passenger transportation vehicles, and promoting the



Promotion press of Yutong LCC

transformation and upgrade of passenger transport industry. The project can explicitly showcase Yutong's advantages on the whole process like R&D, experiments, materials, production and inspection, and effectively reflect the comprehensive value of Yutong products, thus further strengthening customers' good impression of Yutong products.



## 09/ Yutong Heavy Industries moves to new industrial park



New industrial park of Yutong Heavy Industries

Bidding farewell to the 55-year-old plant, Yutong Heavy Industries smoothly completed the relocation work on October 23 and moved to the new industrial park. The new industrial park is located in Jiulong Section of Zhengzhou New District, covering an area of 1.33 million square meters. It is equipped with large vertical and horizontal machining center, welding robots, parts painting equipments,



New production line of Yutong Heavy Industries

integrated welding fume dedusting system and other equipments. Compared with the old plant, the layout of new plant is well arranged and the processing capacity has increased significantly. The office and reception conditions are also greatly improved. All these will provide a strong guarantee for the great-leap-forward development of Yutong Heavy Industries in the future.

## 10/ Yutong actively shoulders the social responsibility



Edu-Aid in Autumn activity

In 2013, Yutong totally donated over 7.2 million yuan and helped 11,000 person-time based on the three charity platforms of Yutong Love, Wings Spreading Plan and Open Day for Society. Through the charity activities like Sun in Winter, Yutong Summer Camp, Edu-Aid in Autumn, Searching for Heroes, Yutong has brought warmth



Yutong Summer Camp

and assistance to quake-stricken people, 18 civilian heroes, 280 needy families, over 150 poor students and so on. The Henan TV station, Henan Daily, Dahe Newspaper and other media have constantly covered the charity activities of Yutong, strengthening Yutong's responsible image.



## Yutong Bus releases output and sales data of Dec. 2013

	Dec. 2013(unit)	Jan-Dec. 2013 (unit)	Y-o-y growth of Jan.-Dec.
<b>Output</b>	<b>8,045</b>	<b>57,711</b>	<b>12.20%</b>
Large Bus	4,454	25,617	10.17%
Medium Bus	3,300	25,946	8.47%
Light Bus	291	6,148	44.29%
<b>Sales</b>	<b>8,278</b>	<b>56,068</b>	<b>8.47%</b>
Large Bus	4,427	25,584	8.84%
Medium Bus	3,298	25,020	4.38%
Light Bus	553	5,464	29.66%

Note: This table shows the express data, the final data is subject to the company's regular report.

From the above table we can see, 8,278 buses and coaches were delivered in December. From January to December, the accumulated sales volume reached 56,068 units, up 8.47 percent than the previous year.





## Sensational ! New generation road king for Africa – F12



### For you! For Africa!

F12 shows its charm in Africa with the stylish appearance. The plump front wall and streamlined side walls attract all eyes. With the superior trafficability, it can easily handle the challenging road conditions in Africa. Even on the bumpy mountain road, you can still enjoy the ride comfort. It also features spacious and bright internal space and convenient boarding and alighting. The easy access to repair and maintenance, as well as the good safety, can save more costs for you.



Brand new interiors   Lowered engine   Run-through luggage compartment   Easy access to repair and maintenance   Trafficability

### F12 FOR AFRICA ZK6120D1



## Global Vision, Green Future

As the No.1 bus brand in China, Yutong has already set up the global networks of sales, services and spare parts supply. With quality products and reliable service, Yutong is dedicated to creating great value for customers. Actively responding to the trend of green economy, Yutong owns China's largest manufacturing base of energy-saving and new energy buses and industry leading R&D advantages of new energy buses. It has launched 10~18m hybrid buses and 7~14m electric city buses with a wide product lineup. In 2013, Yutong delivered 56,068 buses and coaches, among which 3,921 units were new energy buses.

Through developing energy-saving and new energy vehicles and building green public transport modes, Yutong will foresee the green future together with you.





## ZK6120D1 Luxury Version <<<

### Details of interiors and exteriors

With superior quality and trusted service, Yutong ZK6120D1 brings you to the vast land of Africa.



## ZK6120D1 Economical Version <<<

### Details of interiors and exteriors

With superior quality and trusted service, Yutong ZK6120D1 brings you to the vast land of Africa.





# LOHAS <<<

## —Henan International Folk Art Week, CBD Art Center

Enjoy the fun in life! Yutong accompanies you to savor every moment.

Photographed by Pan Yun





# Devotion <<<

## — New Energy Bus Plant

Devotion makes profession. Yutong opens the new era of new energy buses.





Africa in my **eyes**





## Tanzania Jan. 24, 2014



When you first arrive in Tanzania, you will be impressed by the beauty here, it is really amazing!

The blue sky and white cloud are so beautiful with the endless green on the horizon. At the end of the sky, where the blue and green meet each other, you can see everything very clear, because there is no pollution here. If you gaze into the distance, you will suddenly feel that you can see so far. The blue of the sky is clear, transparent and clean. Standing on the spectacular land, I feel so close to the sky and it seems like I can even touch it when I stretch out my hands.



Covered with verdant vegetation, the land here are full of trees, giant cactus and flowers everywhere. The branches on the trees growing towards the sky look like a number of big umbrellas, standing quietly on the beautiful plains of Africa.

The ebony coming from here is rare and precious. This kind of tree is particularly hard and weighs heavy like iron in the hand. Tanzanians carve the wood into different art works, like figures, animals and human masks. Only this kind of artware can truly represent the characteristics of Africa.

Tanzania has rich forest resources and forty-three percent of the land area is covered with forest. Variety of fruits all over the mountains and plains have raised generations of Tanzanians living on this land. The coffee and tea here are said to be the world's best. Tanzanians are known for their enthusiasm and dubbed as "country



of gentlemen". Arriving here, you will never feel lonely. When you are walking in the streets, a lot of local people will greet you warmly regardless you can understand them or not.

People living generations in Tanzania don't have the sense of urgency like Chinese people, nor do they have hurry and anxiety. They face the disappointments in the reality calmly and live the life happily and freely. The "poor" African people can also be unrestrained and enjoy spending. They are not frugal even they only have the money of a bottle of beer in their pocket. So they enjoy the fun of drinking beer first and leave all the worries till tomorrow. The women in Tanzania are hard-working. You can often see they carry heavy things on their heads and walk in the towns. Their garments are very unusual, and only three colorful fabrics can form their fashion looks.

Staying in African for a long time, I also have a lot of feelings. Compared with the people living in Africa, I feel the Chinese people kind of lack freedom and ease the Africans have, but generate a lot of desire and restlessness, as well as anxiety and worry. To live quietly and happily like most Tanzanians might be another kind of life wisdom.



## Great Zimbabwe Feb. 1, 2014



As written in *Africa Geographic* "The evidence of the lost civilization is rising from the inland of Africa like a spiral of smoke", the Great Zimbabwe Ruins, Khami Ruins and petroglyph of Matobo Hills, as well as those profound totem symbols of the stone carving, spread out in front of us with the essence of African aboriginals, instantly reflecting the once splendid civilization of "Country of Gold". Drawn by its sensitive and delicate tentacle, we approached the world's only country named after the archaeological site - Zimbabwe.

When I was a middle school student, I had known from the history course that there was a Monomotapa civilization in Africa besides the civilization of Egypt, Ethiopia and Nubian. My friend from Zimbabwe told me that there are many places in this country worth going and the Great Zimbabwe is one of them. This time I got a chance to go to the Great Zimbabwe which is located in the southern Zimbabwe and 350km away from Harare, capital city of Zimbabwe. I started off at seven thirty in the morning and arrived at the destination in three hours.

If only one word is allowed to describe the landscape along the road, I want to say "fantastic"!

The tree is green and the grass is green. Tracts of acacia trees with unique and beautiful appearance form the magnificent scenery. Sometimes you can see the farmlands, some have green crops while others have wandering flocks and herds. Here, you can not help amazing its harmony with the nature.

The Great Zimbabwe civilization was once glorious at



that time, but today it leaves only ruins in front of us.

But even the ruins can give your mind strong shock. You can hardly imagine, there exists such a brilliant civilization in this uninhabited jungles and hills. Within the scope of several square kilometers, there are dozens of large and small round stone buildings. Among them, the largest one is the palaces of the king and the queen, the former is located on a hill while the latter at the foot of the hill with a distance of about one or two kilometers. Since these buildings are all made of stone materials, this civilization ruin is also known as the Town of Stone.

The Town of Stone is actually an ancient capital of Monomotapa Empire. It is said that the capital's population reached more than 20,000 at its heyday. Compared with the towns of other area, it is not very large. But for the sparsely populated southern Africa, it is really a miracle to have a town of such size. Monomotapa Empire existed from the 11th century to the 17th century, which is equivalent to China's Yuan Dynasty to the early Qing Dynasty. However, who built the empire? Why did it become ruins? Where are the descendants of the capital residents? Since there is no historical record, so far these are still a mystery. Maybe that is just the charm of history.





## Glorious Days — Nelson Mandela



### Invictus

□ By William Ernest Henley

Out of the night that covers me  
Black as the pit from pole to pole  
I thank whatever gods may be  
For my unconquerable soul

In the fell clutch of circumstance  
I have not winced nor cried aloud  
Under the bludgeonings of chance  
My head is bloody, but unbowed

Beyond this place of wrath and tears  
Looms but the Horror of the shade  
And yet the menace of the years  
Finds, and shall find, me unafraid

It matters not how strait the gate  
How charged with punishments the scroll  
I am the master of my fate  
I am the captain of my soul



### Glorious days

□ Wong Ka Ku

The bell ring calls for home  
In his life likely with a few sighs  
What black skin gives him is to devote himself  
In the process of fighting for equality  
Time turns possession into losses  
But there is still hope in his tired eyes  
Today only empty body left to welcome glorious days  
Hold on to the freedom in the rain  
hoping against hope  
for all his life  
He still believe he can make his own future  
Who can do as he did  
Can we forget the color of each other  
I hope on the land, there is no inequality  
The beauty of rainbow consists in  
It is not separated



## Interviews of Yutong African Division



**Patrick Munyaradzi**

Title: Managing Director  
Company Name: Deven Engineering

It is said by the bus industry professionals that it is the one who possesses the customers and whose sales and service modes are easily accepted by customers can win the market. Nowadays, the role of customers becomes increasingly important. How do you think of that the bus builders begin to shift their focus from "products" to "customers"- the real master of the market?

A continuous deliberate process of customer (passenger) engagement should be in place. This process should be an initiative of bus manufactures in collaboration with bus operators. Bus builders need to consult the end users whenever they develop a bus. That way they will begin to appreciate what the customer/passenger want in terms of bus appearance, seat type and arrangement, ventilation etc.

The bus market in Africa has developed quickly in recent year and many automobile brands stream in to take a slice of the market. Do you think what experience the African bus market should learn from the mature European and American markets and what kind of

competition mechanism needs to be introduced to enhance its own development?

The use of alternative cheaper energy to power buses in Africa will be the game changer as it will bring down the cost of operation there by reducing the cost of travel for passengers. This technology will reduce pollution levels in general, mainly in cities. Cross boarder and intercity buses must be equipped with the necessary technology that bring convenience to a modern traveler e.g Wifi.

What do you think the bus builders should do according to the characteristics of African market in order to better fulfill the customers' requirements on products and services?

Local assembly and manufacture of buses within Africa to supply the African market, thereby creating employment and market for bus operators. African bus builders, together with Yutong, should make stronger, robust and safe buses to match Africa's hostile road infrastructure. The buses should be affordable and in line with African economies. The buses should be mass movers, with little down time and longer service intervals.

Could you please tell me why you chose Yutong as the partner? What kind of impression Yutong gave you during the process?

Yutong's willingness to work with African bus assemblers and transfer of technology was the major attraction. Yutong is a cheaper brand, with reasonably strong body, and robust Cummins engine. Yutong comes across as reasonably professional and with a long history of supplying buses to the African market.

Through the cooperation with Yutong, you must have an in-depth understanding of Yutong. What kind of expectations do you have to Yutong's performance in the African market in the future?

Yutong together with Africa bus assemblers and manufacturers should develop an African bus that is powered by compressed natural gas. I am prepared to form part of that development team with Yutong. Yutong should be able to develop buses suitable solely for the African market not the one size fit all that they are currently doing.





**Gerson Partinus Msigwa**

Title: Manager

Company Name: Super Fco Enterprises Company LTD

❖ **Comparing with other bus brands entering the African market, why did you choose to cooperate with Yutong? Could you talk about the process how you chose Yutong at the beginning?**

I chose Yutong because my research proved to me that Yutong can produce front mounted engine bus which is the one recommended to our roads.

Once I bought Yutong buses I found I can manage to run them and they are capable to run in long trips every day. Also Yutong Company is open to discussion in case of any ideas to modify the bus. On top of that Yutong provide opportunity for a customer to decide on the specifications of the bus. When I came to Zhengzhou where Yutong Company is based I was able to enter the factory and prove myself the process of producing a bus, this is very important to me.

About how I chose Yutong Bus is that I was surfing in the internet about Chinese buses and passed through the specifications. When I was satisfied that Yutong is my best choice and started to communicate by sending email and later I could talk to Mr Cruise and later I could buy two units and then more and more where now I have bought thirty units.

❖ **From the perspective of a customer, how do you think the bus builders can better know and understand the customers so as to make their products and services fully meet the demands of customers?**

First they should visit customers many times and talk to them on the performance of their buses, in this matter they can be in a position to know what should be improved and what is good. Second they should always study the trend of the bus designs and the interest of the people especially the passengers. Third they should always work hard to make sure that their bus is powerful, luxurious, good looking, affordable and durable than other bus products. Fourth the bus builders should make sure that spare parts are always available in the market, in good quality, affordable price and accessible from different parts of market area.

With Africa most of the business men who buy buses cannot use internet so bus builders should work to make sure those who don't use internet can also access, buy and run their buses efficiently (they should have alternative means to them).

Bus builders should also have catalogues of different colour designs of the bus so that buyers can easily choose from the

catalogues than designing themselves. Bus builders should also arrange to take bus buyers to China and visit the factories so as to give them assurance and create mutual understanding in business. Bus builders staff or agents should be available all the time and timely attend the bus buyers once they have any problem.

❖ **As far as the bus industry is concerned, products need brands and services also need brands. How do you evaluate Yutong's products and after-sales service?**

Yutong products are good and competitive. Yutong products are easily to get (bus and spare parts). After sale services from Yutong are also super.

❖ **How do you think of the development of the African bus market in the future? And do you have any particular expectations to Yutong's development in the African market in the future?**

I think the Chinese buses market in Africa is growing so fast and people are increasingly developing interest to Chinese buses.

I expect Yutong will do more than is doing now in the near future. I also expect that Yutong will put more improvement in their buses as many bus builders from China are copying Yutong buses and trying to compete with Yutong by convincing customers to buy from them. On top of that I expect Yutong will provide some favours to early customers like me so that we can manage to flag up the Yutong good reputation to other customers.

❖ **Finally, could you talk about your feeling about what impressed you most during your business contact with Yutong? And what kind of partnership would you like to develop with Yutong in the future?**

First I was very much impressed by the good reputation of Yutong Bus in the world rankings of the bus market. It was the second after Mercedes Benz. Second I was impressed by the agreement between us. Third I was impressed by the flexibility of the Yutong Company especially on accepting my ideas about the best where I need my bus to be. Fourth I was and I'm still impressed by the communication between me and Yutong staff, good customer care, smartness of the business and I believe Yutong is my home.

About the kind of partnership I would like to develop in the future is to develop my business with the big support from Yutong Company. I also wish to be a supplier of Yutong buses in Tanzania in the future and Yutong Company has to support me on this.





**Charles Nyambuya**

Title: Managing Director

Company Name: Puzey & Payne (Pvt) Ltd

❶ It is said by the bus industry professionals that it is the one who possesses the customers and whose sales and service modes are easily accepted by customers can win the market. Nowadays, the role of customers becomes increasingly important. How do you think of that the bus builders begin to shift their focus from "products" to "customers"- the real master of the market?

The bus builders need to migrate from product focus to enhance their export strategy. This can be done in a number of ways:

By pitching up overseas market presence through agents or by direct activities - there is a pitfall on direct activity of not only limited market knowledge but also local regulations. Working with import agents on coordinated bus product exhibitions, design annual marketing plans with agents.

❷ The bus market in Africa has developed quickly in recent year and many automobile brands stream in to take a slice of the market. Do you think what experience the African bus market should learn from the mature European and American markets and what kind of competition mechanism needs to be introduced to enhance its own development?

Mature USA and Euro auto makers have used a combination of export strategies centered on local vehicle assembly in markets such as RSA, Nigeria and even Zimbabwe in the 1980s to 1990s. However, recently trends have shown scaling down of such operations as economies of scale and input costs become the driving factors of production. Therefore, bus makers need to design country market specific plans to cater for tariff barriers, local content, and to take advantage of investment incentives that may be offered. Africa is an emerging bus market that needs specific solutions. For example, YUTONG can set up a regional bus distribution centre in Zimbabwe after negotiating with the Zimbabwe Government and co-opting indigenous partners thereby selling the RHD units in SADC.

❸ What do you think the bus builders should do according to the characteristics of African market in order to better fulfill the customers' requirements on products and services?

Partly answered in (2) above. Bus builders can set up regional bus distribution centers (RBDC) to align products to local conditions.

❹ Could you please tell me why you chose Yutong as the partner? What kind of impression Yutong gave you during the process?

Puzeys chose YUTONG because of a number of products and technological factors. YUTONG can withstand the African road conditions better than the nearest rival. Yutong is designed for our roads and offers the comfort and functionality at a reasonable and fair price. It's a total package that YUTONG offers for its chosen products per market segment.

❺ Through the cooperation with Yutong, you must have an in-depth understanding of Yutong. What kind of expectations do you have to Yutong's performance in the African market in the future?

I expect YUTONG Bus Company to continue offering superior transport solutions globally and in particular to Africa.





James Fu

Title: Sales Manager, African Division 2, IBD

◆Along with the economic development of African countries, the demands of African customers are becoming more diverse and rational, rather than blindly pursuing low prices. What opportunities and challenges will this bring to Yutong's business in the African market?

Yutong, as the leader of China's bus industry, owns the world's largest manufacturing base of buses and coaches. It is capable to provide quality buses and trusted services to the African market and is willing to cooperate sincerely with the developing Africa and go forward hand in hand.

◆Compared with the former ZK6116D, what kind of improvement has been conducted on the newly launched ZK6120D1 in terms of technology, technique and riding experience?

ZK6120D1 is a new product developed by Yutong according to the African regulations, road conditions and usage characteristics, which is the upgraded product of ZK6116D, the latter has been sold in African market for many years. ZK6120D1 adopts the latest research achievements of the international bus industry in terms of technology, technique and riding experience, so we are optimistic about its market prospects.

◆Could you talk about the current order situation of ZK6120D1 and analyze the future market prospects?

ZK6120D1 is a product tailored for the African market. While doing the market investigation for the product development, many customers have showed their great interest in the bus, and some even made the down payment to order the bus when it was still in trial production. At present, the order situation is pretty good. We are confident that it will become Yutong's new bestseller in Africa following the ZK6116D.

◆ZK6120D1 has two versions: luxury and economical. Could you briefly introduce the difference between the two versions regarding the design and functions and what kind of customers they are suitable for?

The main difference between the luxury and economical versions is the interiors. The interiors of the luxury version is deluxe, magnificent and comfortable, which are suitable for tourism and high-end passenger transport and commuters while the interiors of economical version is simple, economical and low-profile, which are suitable for ordinary passenger transport and commuters.

◆How are the situation of Yutong's spare parts supply and services look like currently and what have been done for the launch of ZK6120D1?

Since last year, we have already started the preparatory work for launching the ZK6120D1. It mainly included the spare parts reserve in the local market, training of technical support, increase of service people, as well as improving the service capability of local service providers, so as to provide the optimal guarantee for ZK6120D1.



Jack Zhu

Title: Sales Manager, African Division 2, IBD

◆In the process of expanding the African market, what do you think the customers pay attention to in selecting products? How did Yutong do to avoid the homogenization of competition?

The African customers attach great importance to the reliability, durability and performance-price ratio of vehicles. Yutong, based on the road conditions in Africa, specifically produced bus models suitable for the local road conditions. For the segments of long-haul and short-haul passenger transportation market, Yutong launched different products to meet the individual requirements of customers.

◆The newly launched ZK6120D1 is a substitute product of ZK6116D. What do you think are the core selling points of this product?

ZK6120D1 adopts upgraded and environment-friendly interiors. Economical and luxury versions of ZK6120D1 are available and the customers can choose according to their needs. The engineering development and quality assessment of ZK6120D1 ensure the reliability of the vehicle.

◆As a vehicle tailored for the African customers, what kind of customers are the economical and luxury versions of ZK6120D suitable for respectively?

The luxury version of ZK6120D1 is luxurious and comfortable, which is suitable for tourism, high-end market of passenger transportation and commuters, while the economical version is simple and low-profile, which is suitable for ordinary passenger transportation and commuters.

◆Could you briefly talk about the work Yutong has done to ensure the smooth launch of the new product?

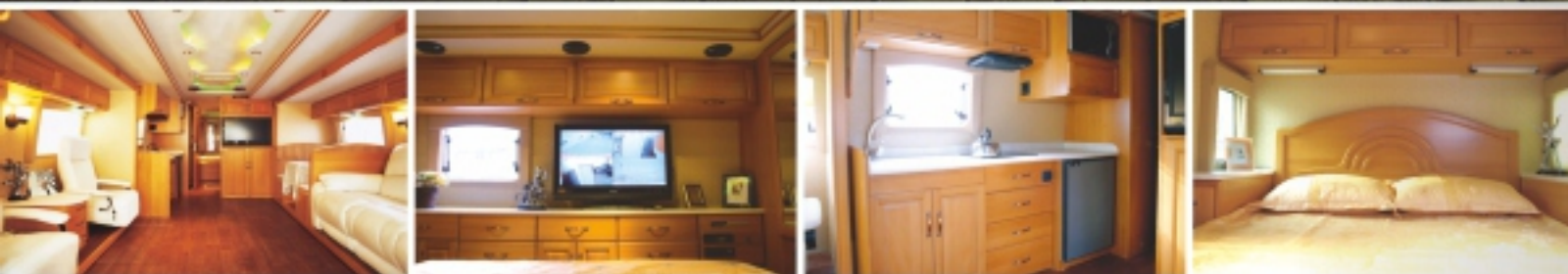
The ZK6120D1 is a bus model specially tailored for the African market. The appearance, interiors upgrade and configuration optimization, all have been repeatedly verified and accepted various suggestion on improvement. The launching ceremony of ZK6120D1 is planned to be held in Tanzania in April. When the time comes, a number of promotional policies will be available to benefit the new and old customers.

◆The growth of Yutong in the African market is closely related to the firm support of customers. During your contact with the African customers, are there any memories which impressed you most?

The African customers have given Yutong a very strong support. They actively make suggestions on product improvement and help us to improve the reliability of our products. Meanwhile, our customers have given us a lot of tolerance and understanding. Here, I would like to express my heartfelt thanks to the customers who consistently support Yutong, and hope we can develop and make progress together.



Enjoy the luxury life on the road



## YUTONG-ZK5150XLJ

Produced with the self-made RV chassis, ZK5150XLJ RV is 10.5-meter long and has a side wall sliding mechanism which can expand the internal space and have the functions of a 12-meter RV. With sitting area, kitchen area, bath area, resting area and so on, you can enjoy a high quality RV life.

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# Call-up



## EN ROUTE contributors wanted

Here

your every word has the opportunity to be listened by the world;

Here

your every point of view might trigger a resonance;

Here

different perspective and ideas coexist harmoniously.

Anytime, no matter where you are, as long as you have a point of view and are willing to share it,  
we will be "responsible for spreading it".

**EN ROUTE** is expecting your involvement!

### Requirements on articles:

- 1) The articles shall be the original work of the author and never published elsewhere (if an article is sent to many journals or has been published, please specify.)
- 2) Comments of the hotspots of the bus industry and analysis of the industrial status quo and trend at home and abroad are welcome. Articles with unique perspective which make sense are preferred.
- 3) Original photography and articles related with the bus industry are welcome. (We reserve the right to amend the articles.)
- 4) Please leave the author's real name, address, zip code and contact way.
- 5) Please send you articles to [enroute@yutong.com](mailto:enroute@yutong.com)