

LiuGong Celebrates Anniversaries and Partnerships

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Munich, Germany – April 15, 2013 – Strategic partnerships have positioned LiuGong Machinery Corp. as one of very few construction equipment manufacturing firms to produce end-to-end components for its machines. This year, LiuGong marks its 10th year in the export business, its 55th anniversary as a company, and the arrival of the first LiuGong-Cummins engines rolling off production lines in China. What this production competency means for the company's competitive position cannot be understated.

LiuGong and its partners, Cummins and ZF chose Bauma 2013 to celebrate a string of successes with joint ventures, shared factories, and profitable partnerships.

"Today, with the involvement of these world-class partners, LiuGong is one of the few manufacturers capable of manufacturing all major components for the whole machine," said Mr. Zeng Guang'an, LiuGong's Vice Chairman and President.

In a joint media dialogue held at Bauma on April 15, executives from the three companies discussed what their collaboration has achieved for each company respectively.

"To fulfill the commitments we have made to all of our markets, we looked for only the best partners and aligned with companies that share our commitment to excellence and strive to fulfill the needs and expectations of customers at every turn. With Cummins and ZF we believe we have found two of the best," said Zeng.

LiuGong's joint venture with ZF began 18 years ago when in 1995, LiuGong partnered with the German transmission components manufacturer ZF Friedrichshafen AG to open a jointly owned factory in Liuzhou, with LiuGong holding 49% ownership. This has allowed LiuGong to cost-effectively incorporate high-level ZF technology into LiuGong products.

In 2012, the two partnered again in a second joint venture called ZF Liuzhou Axle Co. Ltd., focused on developing and producing construction machinery axles for the Chinese market. A factory in Liuzhou is under construction. By 2014, 3,300 newly designed axles are scheduled to be delivered to the market and annual production volume is targeted to increase to more than 30,000 by 2018.

Hermann Beck, ZF Vice President Industrial Technology and Head of Off-Highway Systems said, "Along with LiuGong, we have developed the product that exactly matches the requirements for the developing market.

The joint efforts will definitely promote the continued growth of both LiuGong and ZF. “

In 2011, LiuGong officially set up the joint venture company with Cummins. Last month, just 18 months after the joint venture was launched, the GCIC facility jointly owned by Cummins and LiuGong located in Liuzhou City, China opened. And, the first L9.3 engine rolled off the production line and gained great acclaim in China. The first Tier II engines are destined for wheel loaders, and have been optimized specifically for those machines.

“This kind of significant progress by Guangxi Cummins Industrial Power Company in such a short period of time is a great example of the full strength that comes about when two global companies who are leaders in their fields join together and combine their unique and impressive respective strengths,” said Tom Linebarger, Chairman and Chief Executive Officer of Cummins. “The value of our partnership can be seen with the introduction of the L9.3, a new engine specifically designed for wheel loader applications,” added Linebarger.

David Beatenbough, LiuGong’s vice president of R&D and a driving force behind the company’s quest to control its entire supply chain, noted the partnerships help drive quality in LiuGong’s machines.

“When we install engines & driveline components precisely designed and manufactured for our machines we are able to optimize the integration of these components. It is easy to bolt off the shelf parts together, and such machines will work, but not at the highest levels of efficiency. For maximum efficiency, we must work very hard to integrate different components together, matching their performance and specifications carefully,” Beatenbough noted. “This optimized integration is only possible if we have control of the technology and design specification for each component, allowing us to tailor them to match our exact requirements. The finished product then is more efficient, more comfortable for the operator, and ultimately, a higher quality machine that delivers more customer satisfaction.”

President Zeng expressed his belief in the impact of the company partnerships, not only on LiuGong, but on the industry as a whole. “I would like to extend my sincerest appreciation to ZF and Cummins, for their continued cooperation in deepening our mutually beneficial relationships. It is a world that stands as one. I strongly believe that, with these world-class partners and world-class machines, we will create a better future together,” he concluded.

Source: Branding and Communications