

The New Subsidiary in China:

DEUTA RAILWAY TECHNOLOGIES (Shanghai) Co., Ltd.

Interview on the establishment with CEO Dr. Rudolf Ganz





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Interview concerning the establishment

with Dr. Rudolf Ganz CEO DEUTA-WERKE & DEUTA Railway Technologies (Shanghai) Co., Ltd.

With a new subsidiary office in Shanghai, DEUTA-WERKE moves even closer to its Chinese customers. In our interview, we asked the managing director of DEUTA-WERKE, Dr. Rudolf Ganz, about the reasons for the establishment of the new subsidiary and its strategic direction.

What were the reasons of *DEUTA-WERKE* for the establishment of the new Chinese subsidiary?

Dr. Rudolf Ganz: For us, customer focus goes far beyond sales activities. We continuously accompany our customers throughout the entire life cycle of a product – from project planning and user training to after-sales service. By establishing *DEUTA Railway Technologies (Shanghai)*, we have consistently satisfied our own asperation for customer proximity.

DEUTA Railway Technologies (Shanghai) provides competence and expertise to the customer on site. Our employees review the general framework of a project, select the right product and make customer-specific adaptations as necessary. The cross-location team puts the products into operation and supports the customers in approval matters, the first functional test and in the commissioning process — in close coordination with the parent company — but without time difference.



Where is the new subsidiary located?

Dr. Rudolf Ganz: Our new subsidiary is conveniently situated in the technology park in Pudong, Shanghai. Here, we have sufficient space for our employees, products and training areas. Of course, the standards for product adaptations and repairs have the same level of quality as those in our main production plant.

For many years now, you have been a joint venture partner of *Shanghai DEUTA SD*. Will the *Shanghai DEUTA SD* joint venture be continued?

Dr. Rudolf Ganz: The joint venture will be continued! With Shanghai DEUTA, we look back on a 24-year success story which we will continue in the future. Both companies, Shanghai DEUTA SD and DEUTA Railway Technologies Shanghai, have different market positions and a different market access. The joint venture, for instance, focuses on the high-speed sector while our subsidiary serves for example, in the metro area.

Do you plan to localise your products in China through DEUTA Railway Technologies (Shanghail)?

Dr. Rudolf Ganz: No. We have not planned to localise our products. They will be manufactured in our main production plant in Bergisch Gladbach, Germany.

What does "Made in Germany" mean to your Chinese customers?

Dr. Rudolf Ganz: For many of our customers, "Made in Germany" is a quality seal. When purchasing their key components, the system integrators want to be sure of their quality and rely on to products manufactured in Germany.

Are your "Made in Germany" products competitively priced in China, too?

Dr. Rudolf Ganz: Of course! In China, too, the industrial wages have increased. In US dollar terms and adjusted for inflation, the Chinese industrial wages have tripled since 2001. In addition, we benefit from the stable euro exchange rate whose trend, when compared to the Swiss franc for instance, is also given a positive assessment for the future by the analysts.

What are the Chinese customers' expectations of DEUTA? Dr. Rudolf Ganz: For 24 years, DEUTA has been a respected

partner in many Chinese projects. Our customers appreciate DEUTA's structured and quality-conscious mentality. Because, for decades, we have proven that China is not a one-off, short-term project for us but a future-oriented, long-term commitment.

Are the product safety requirements increasing in China, too?

Dr. Rudolf Ganz: Any supplier who wants to survive on the Chinese market needs to be an expert in the highest safety standards because the people's demand for safety of the high-occupancy Chinese transport network is increasing. Here, DEUTA has assumed a pioneering role with regard to safe components for train safety systems which benefit our customers.

For instance, we equip the DEUTA terminals with patented safety technology: IconTrust® (SIL 3) ensures safe visualisation and SelectTrust® (SIL2) ensures safe input. Our DEUTA REDBOX® recorders meet the requirements for safety integrity level 4. In combination with tested and proven indicators and sensors, we develop these SIL components into safe speed systems. Of course, our employees at the new DEUTA RAILWAY TECHNOLOGIES (SHANGHAI) location provide full support in this regard.



» Customer focus goes far beyond sales activities «

Dr. Rudolf Ganz, CEO of DEUTA-WERKE GmbH and Technical CEO of DEUTA Railway Technologies (Shanghai) Co., Ltd.



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