

Press Release

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Voith and Huatai Paper Enter Strategic Partnership Agreement

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Beijing. Voith today signed a strategic partnership agreement with Shandong Huatai Paper Co., Ltd., one of the largest paper manufacturers in China.

The signing of the agreement was witnessed by Chinese Premier Li Keqiang and German Chancellor Angela Merkel during her visit to China. Under the framework agreement, Huatai Paper and Voith will strengthen their cooperation in a number of areas in the next five years, including the upgrade of existing production lines, the expansion of R&D activities, and the implementation of Industrie 4.0, which will be supported by a total investment of RMB 840 million from Huatai (approx. €120 million).

Huatai Paper is the world's largest newsprint manufacturer, operating six newsprint production lines with a total annual output of 1.8 million tons. The five-year partnership with Voith will involve improvement of five newsprint production lines and an increased capacity for the production of graphic paper and packaging paper, as well as the establishment of a joint R&D center focused on papermaking. Huatai will also work with Voith to adopt "Papermaking 4.0", a concept modeled on Industrie 4.0 to achieve smart manufacturing in the papermaking process. Introduced by Voith, Papermaking 4.0 is well aligned with China's efforts to upgrade and transform key manufacturing sectors, including paper, steel, and nonferrous metal, as outlined by the recently released "Made in China 2025" plan.

"Voith has long been a reliable supplier and partner for Huatai Paper. We are pleased to expand our partnership, which will facilitate our long-term development by addressing our top priorities, including transformation, R&D, the smart manufacturing," said Jianhua Li, Chairman of the Board of Huatai Group, at the signing ceremony.

“As a global provider of technology and industrial services, the Voith Group is committed to supporting our customers around the world to achieve sustainable business growth. The strategic partnership aims to capitalize on the emerging opportunities in China’s paper market with our combined energies,” said Hubert Lienhard, President and CEO of Voith Group, and Chairman of the Asia Pacific Committee of German Business (APA). He is heading the business delegation led by Chancellor Merkel during her China visit.

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For Voith, this contract is another milestone in the Chinese paper market. In the last decade, Voith has delivered the worldwide largest, most modern and most efficient paper machines to Chinese customers. Today, Voith Paper City, located in Kunshan, is the largest production site for paper machines in the Voith Group. From here, Voith serves paper customers all over China and the Asia Pacific Region. Over the last five years, Voith has been investing over €200 million in this location.

Huatai Paper is a flagship company of Huatai Group, which recorded RMB 52.1 billion in annual sales in 2014. Huatai Group has been among China’s top 500 companies for six consecutive years, according to an annual list compiled by Fortune Magazine’s China Edition. It is also among the world’s top 100 pulp and paper manufacturers, according to RISI, a leading provider of information for the global pulp and paper industry. In 2014, Huatai Group was ranked No 10 among the top 100 companies in China’s light industry and No 1 in the category of papermaking.

Voith sets standards in the markets energy, oil & gas, paper, raw materials and transport & automotive. Founded in 1867, Voith employs more than 39,000 people, generates €5.3 billion in sales, operates in about 50 countries around the world and is today one of the largest family-owned companies in Europe.

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