

Press release

October 2018

## How valuable is repair and maintenance to China's automotive future? Automechanika Shanghai reports

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**Two of Automechanika Shanghai's industry association partners have laid out the details behind why China's relationship the automotive service sector is starting to turn the heads of the world's most successful car producing regions. The China Auto Maintenance Equipment Industry Association (CAMEIA) and the China Automotive Maintenance and Repair Trade Association (CAMRA) have a combined 1,700 members of organisations and companies across China, many of whom will be looking to shine under a global spotlight at November's show.**

The automotive service sector is one of the most crucial aspects of Automechanika Shanghai, reflected in the growing popularity of the show's two dedicated halls. When the 2018 edition raises its curtains on 28 November 2018, over 140,000 buyers will be welcomed by the very latest innovations in collision, painting, diagnostics, car care, workshop technologies, accessories, customising and much more.

This includes members of CAMEIA and CAMRA. Both associations are under the Ministry of Transport of People's Republic of China and approved by the Ministry of Civil Affairs. They focus on research and development strategies for various automotive sectors in China, and assist the industry in developing new guidelines, strategies, regulations and education opportunities. As supporters of Automechanika Shanghai 2018, each will organise their members and end-users to participate in the show, to explore new developments and meet with some of the industry's biggest names.

Mr Xie Jiaju, President of CAMEIA, has explained why the country is in a unique position to provide growth for both international and domestic automotive equipment suppliers: "Right now, the service sector in China covers a very wide range of product offerings and repair solutions. By combining that with the industry's continued desire for higher quality and advanced product innovations, it means that the country has a multitude of capabilities in the automotive world."

Mr Xie continued to explain that in China right now, there are a strong number of brands that are arguably of international standard, who sit at the top of the automotive service ladder. Many of these have presence at Automechanika Shanghai, such as Baozhongbao, Bright, Dali, EAE, Launch, Sata Tools and TCE. These companies are increasingly starting to compete on a global scale, and are helping drive China's industry to

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sit alongside the world's automotive leaders. Meanwhile, further down the ladder are the more traditional companies which are smaller and more cost-effective. Mr Xie says that at the same time, many of them are striving to climb up the ladder by expanding their capabilities and investing in new trends.

Mr Cheng Yongshun, Vice President of China National Machinery Industry International, the show's co-organiser, said: "We are delighted to see the quality of exhibitors and global participation in repair and maintenance sector at the show continue to improve, as well as the expanded industry support and broad recognition of the show. The aftermarket in China allows a variety of companies to grow and thrive in the same space, to meet consumers' needs across the entire spectrum of quality and innovation."

### **The transformation of the service sector**

While the show continues to maintain its status as a platform for the entire supply chain, the service sector is of particular importance to the Chinese market. China's car ownership reached 217 million vehicles in 2017, ranking the country first worldwide in sales for an eighth straight year<sup>1</sup>.

Mr Yan Bo is the Secretary General of fellow industry association, CAMRA. He believes the service sector is now in a position to support the entire development of the automotive industry in China, and is becoming more complete in terms of offerings and capabilities.

"Chain stores are one of the biggest parts of this transformation, with more and more traditional repair workshops evolving into chain stores to provide more comprehensive offerings to consumers," Mr Yan said. "This continues to be the general direction that the auto market in the region is heading in this country."

The show's offerings this year further exemplify how chain stores are crucial to the development of the service sector. In fact, 2018 will be the debut year for the Chain Stores Zone, which will welcome a strong collection of both domestic and international chain stores, e-commerce businesses and automotive suppliers for new business models. This includes the likes of ACDelco, Alibaba, Autoyong, Carzone, Casstime, Eurorepar, Hometop, Lopal, Tuhu, and more.

"Another big challenge is improving efficiency, speed to market and regulations which are always something that the end-user is looking to improve," Mr Yan added. "At the same time, the likes of environmental protection and consumer safety are two of the biggest areas of focus for the Chinese market at the moment."

Ms Fiona Chiew, Deputy General Manager of show organiser Messe Frankfurt (Shanghai) Co Ltd, added: "The debut of the Chain Stores

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<sup>1</sup> <https://www2.deloitte.com/cn/en/pages/about-deloitte/articles/pr-automotive-aftermarket-set-for-fast-growth.html>

Zone not only responds to the rapid development of the aftermarket, but also inspires the future transformation of the aftermarket and repair workshop by bringing together resources for communications and connection. At the same time, the sector maintains close affiliation with tyre sector which plays an important part of service sector, so the Chain Stores Zone has been allocated in the same hall as REIFEN (Tyres) sector.”

### **Looking ahead to Automechanika Shanghai 2018**

“Automechanika Shanghai has grown a lot in recent years in terms of size and scale,” said CAMEIA’s Mr Xie. “The show has full coverage of the entire supply chain, and gathers top tier international brands as well as the leading brands across China. The show can help promote China’s top tier to the international stage, and at the same time we can inject our resources and expertise into the show too.”

Together with the support of CAMEIA and CAMRA, Automechanika Shanghai is currently supported by 49 supporters, with international supporters from across the globe including Australia, Belgium, Egypt, Germany, Japan, Malaysia, Spain, Turkey, the UK, and the USA. On top of that, around 200 global trade and mass media will support and cover the show this year.

For further information about Automechanika Shanghai 2018, or to download high-res images from last year’s show, please visit [www.automechanika-shanghai.com](http://www.automechanika-shanghai.com).

Automechanika Shanghai is organised by Messe Frankfurt (Shanghai) Co Ltd and the China National Machinery Industry International Co Ltd (Sinomachint). It is one of 17 Automechanika fairs held across Africa, Asia, Europe and the Americas. For any further enquiries, you can contact Messe Frankfurt (HK) Ltd on + 852 2802 7728 or via email at [auto@hongkong.messefrankfurt.com](mailto:auto@hongkong.messefrankfurt.com).

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#### **Background information on Messe Frankfurt**

Messe Frankfurt is the world’s largest trade fair, congress and event organiser with its own exhibition grounds. With more than 2,400 employees at 30 locations, the company generates annual sales of around €669 million. Thanks to its far-reaching ties with the relevant sectors and to its international sales network, the Group looks after the business interests of its customers effectively. A comprehensive range of services – both onsite and online – ensures that customers worldwide enjoy consistently high quality and flexibility when planning, organising and running their events. The wide range of services includes renting exhibition grounds, trade fair construction and marketing, personnel and food services. With its headquarters in Frankfurt am Main, the company is owned by the City of Frankfurt (60 percent) and the State of Hesse (40 percent). For more information, please visit our website at:

[www.messefrankfurt.com](http://www.messefrankfurt.com) | [www.congressfrankfurt.de](http://www.congressfrankfurt.de) | [www.festhalle.de](http://www.festhalle.de)

#### **Background information on Sinomachint**

China National Machinery Industry International Co Ltd. (Sinomachint) is a wholly-owned subsidiary of China National Machinery Industry Corporation (SINOMACH), a large state-owned group.

Sinomachint specializes in areas such as international exhibitions, trade and project contracting. International exhibition is a core business for Sinomachint, which are recognized because of many years of exhibition organizing experience and a professional organization team. Sinomachint held exhibitions that combine internationality and locality in over 30 large and medium-sized Chinese cities. The total exhibition area of exhibitions that Sinomachint independently organizes or jointly do with partners each year exceeds 3 million square meters. For more information, please visit the website at: [www.sinomachint.com](http://www.sinomachint.com).