

Post Show Report

2008 China International Auto Parts Expo

Part I : Overview

2008 China International Auto Parts Expo (CIAPE) was successfully held from November 12 to 15 in China International Exhibition Center (New Venue) in Beijing. 1100 exhibitors and over 50100 trade visitors from 113 countries and regions have exhibited and acquired information about the latest products, innovation and brand images in CIAPE 2008 in a venue covering over 80,000 square meters. The top 10 countries and regions with the largest number of visitors are South Korea, Russia, USA, Germany, Iran, Japan, Ukraine, Taiwan, Hong Kong and India.

CIAPE 2008 is supported by 32 automotive societies covering 10 countries in China, Germany, the US, UK, France, Italy, Japan, South Korea and Spain etc, the 9 famous multinational automobile groups like GM, Toyota and Volkswagen etc, the world's top 4 auto parts corporations as Bosch, Denso and Delphi etc and 20 major domestic automobile groups like FAW, SAIC and Dongfeng etc.

CIAPE 2008 involves a wide spectrum of participating companies which include Bosch, Denso, NGK, Hitachi, TÜV Rheinland, Dow Corning, SAIC, Fawer, Dongfeng, Beijing Hainachuan Automotive Parts Co., Ltd., China National Heavy-Duty Truck Group, Wanxiang Group, Wuxu Diesel Engine Works, Guangxi Yuchai Machinery Co., Ltd., Wanfeng Auto, Zhejiang Yinlun Machinery Co., Ltd., Ruili Group, Zhejiang Asia-Pacific Mechanical & Electronic Co., Ltd, etc. and other well selected auto parts companies from all the 12 state approved automotive industry bases including Changchun, Chongqing, Taizhou, Shanghai, Wuhan, Xiamen, Wuhu, Tianjin, Hefei, Guangzhou, Baoding, Liuzhou, and the industrial chain areas in 27 provinces and cities.

CIAPE 2008 has established special halls for China's domestic vehicle brands and tuning cars. In China's Domestic Vehicle Hall, 16 domestic automobile groups including Chery, Geely, the Great Wall, FAW, Beijing Automobile Works Co. Ltd., Yutong and Anhui Jianghuai Automobile Co. Ltd. have brought about 70 cars, buses and commercial vehicles for display. The Tuning Car Hall has attracted around 150 different tuning cars from SEMA, BBS and China's domestic refitting companies and shops like The Way, AM, Sky, M1000 and CMS (China), which has become the largest tuning car exhibition in China.

CIAPE 2008 has set up admittance threshold for all participates and an Intellectual Property Rights Protection Office at the venue. During the exhibition there was not a single dispute involving IPR infringement.

Along with CIAPE 2008 are Summit Forum (400 attendees), Global Sourcing Forum (500 attendees), Chrysler Purchasing Special Session (500 attendees), Powertrain and Technology Forum (200 attendees), AAIA Seminar (200 attendees), U.S. Michigan Wayne County

Business & Investment Inviting Meeting (200 attendees), on site purchasing meetings of Gasgoo and Auto 1688, as well as other 10 country match-making meetings. All these fringe activities are highly welcomed by the attendees.

Most of the exhibitors and visitors hold very high opinion about CIAPE 2008 for its internationalization, professionalism and its unprecedented scale. They all share the opinion that CIAPE serves as a convenient channel for auto parts enterprises to contact with world leading purchasers and suppliers. More importantly, CIAPE promotes the brand image of China's auto parts products to the world, demonstrate the overall level of China's auto parts industry, and the confidence of China's automobile and auto parts markets against the global economic crisis.

Most of the exhibitors and visitors hold that the organization and promotion work of CIAPE 2008 has developed a lot when compared with CIAPE 2007, and the forums are of much higher quality.

Part II : The Opening Ceremony



The Opening Ceremony



Welcome Speech on the Opening Ceremony by
Mr. Jiang Yaoping, Vice Minister of Ministry of Commerce



The Opening Ceremony

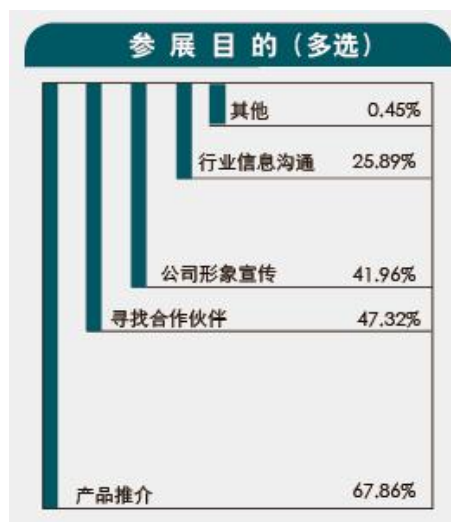
The honored guests cut the ribbons at the Opening Ceremony include: Mr. Jiang Yaoping, Vice Minister of Ministry of Commerce; Mr. Michael John Whitby, Mayor of Birmingham, UK; Mr. Lee Kadrich, Vice President of Automotive Aftermarket Industry Association (AAIA); Mr. Jim Cozzie, Chairman of Specialty Equipment Market Association (SEMA); Mr. Scot Sharland, CEO of Automotive Industry Action Group (AIAG); Mr. Vincent Guglielmo, Vice President of Automotive Parts Manufacturer Association (APMA); Mr. Noboru Yamada, President of Denso (China) Investment Co., Ltd; Mr. Chen Yudong, Executive Vice President of Bosch (China) Investment Ltd. and Ms. Elizabeth Harrington, President & CEO of e-harrington global. In addition, 20 ambassadors in China, principals of automotive associations and famous automotive companies in China and abroad, together with leadership from MOFCOM and related departments of provinces and cities have all attended the Opening Ceremony.

At the opening ceremony, Mr. Jiang said “Holding China International Auto Parts Expo is an important act to strengthen international communication and cooperation, to improve international competitiveness of automotive industry and to transfer foreign trade growth mode. The automotive industry is one of the industries having the highest level of globalization in the world. As an important platform for the communication and cooperation between the global automotive industries, CIAPE will promote China’s auto parts industry to participate in global competition and cooperation, deepen international division, optimize the supply chains, thus will play a positive role in the development of the world’s automotive industry.

The Chinese government will continue to support Chinese and foreign automotive enterprises to strengthen communication and cooperation through CIAPE. With joint efforts of automotive industry both in China and abroad, I believe that CIAPE will become a famous international professional exhibition welcomed by Chinese and foreign suppliers, purchasers and professionals, and will make great contributions to the world auto industry.”

Part III: Analysis Report

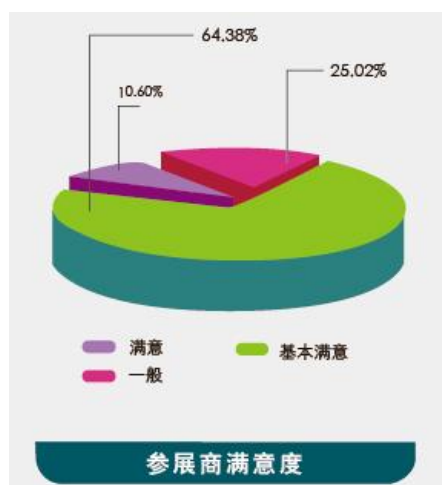
1. Reasons for Exhibiting (multiple-choice)



Product Promotion	67.86%
Seek Cooperation	47.32%
Company Promotion	41.96%
Acquire Information	25.89%
Other	0.45%

2. How Satisfied the Exhibitors are:

Very Satisfied	10.60%
Satisfied	64.38%
Common	25.02%

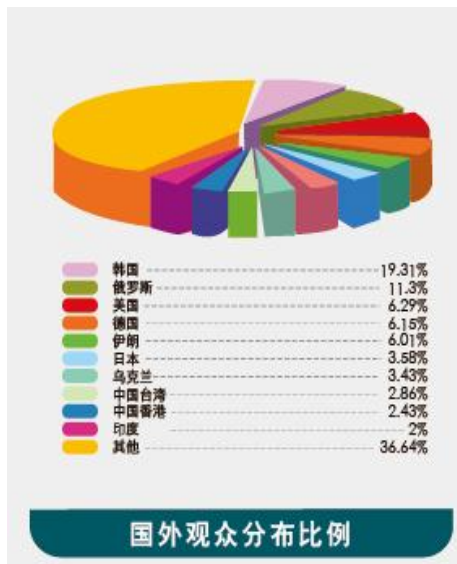


3. Reasons for Visiting



Gather Information	31.45%
Seek Supply of Goods	13.76%
To Purchase	13.06%
Seek Representation or Cooperation	9.38%
Visit Suppliers/Clients	9.36%
Evaluate for Future Participation	4.67%
Seek Solutions	3.90%
Other	14.42%

4. Overseas Visitors Breakdown



Korea	19.31%
Russia	11.3%
The USA	6.29%
Germany	6.15%
Iran	6.01%

Japan	3.58%
Ukraine	3.43%
Taiwan, China	2.86%
Hong Kong, China	2.43%
India	2%
Other Foreign Countries	36.64%

Part IV: Comments

Mr. Peter Pang, CEO of Bosch (China) Investment Ltd,

“China International Auto Parts Expo is an international pageant, which plays a positive role in promoting the development of China’s auto parts industry. Bosch has participated in CIAPE for the 2nd consecutive year. Our booth coverage and exhibits have all exceeded those of the last year. We are honored to be part of CIAPE. We believe that China will become the world’s largest automotive market in 5 to 10 years, and Bosch has its long term program and investment in China.”

Mr. Noboru Yamada, President of Denso (China) Investment Co., Ltd

“Denso has already set up 200 after sale service stations in China. With full development in China, we wish to enlarge that number to 600. We have brought about nearly all our products to CIAPE this year. How to strengthen cooperation with China’s domestic brands is the major focus of Denso’s development in the next phase.”

Mr. Gary Schkade, Director, Asia-Pacific Business Development, SAE-International:

“As a co-organizer, SAE-International has invited 5 senior experts in the automotive industry to hold 2 technology seminars in CIAPE 2008. The seminars are highly welcomed by the attendees, many of whom had to finish the seminars by standing in the aisles of the meeting room. This is totally out of our expectation. Through communication with Chinese domestic companies, we understand that they have realized fierce competition for survival, and are developing themselves by focusing on both orders and technologies. Many companies want to transfer from order-oriented production to technology and R&D-focused production in order to better fit global competition. ”

Mr. Chen Yilong, General Director of Asia Pacific Affairs & Chief Representative in China, Automotive Industry Action Group (AIAG):

“CIAPE has cooperated with AIAG to hold the ‘Auto Parts Purchasing Leadership & Supplier Forum’ for 2 consecutive years. The forum attracted more than 500 attendees and are highly welcomed by the audience. CIAPE has established a bridge for communication and development between Chinese and American automotive industries. AIAG will continue to cooperate with the Organizing Committee of CIAPE to transfer more information to the auto parts companies and to bring more business opportunities in the future. ”

Mr. Lee Kadrich, Vice President, Government Affairs & Trade, Automotive Aftermarket Industry Association (AAIA):

“It is amazing that CIAPE has reached such a scale in only 2 years. The exhibitors are of high level and quality. Besides, many world famous and influential automotive associations and organizations are invited to have face to face communication with companies. This widens the possible cooperation fields, and demonstrates the image of CIAPE as a state-level exhibition in China. AAIA has established cooperating relationship with CIAPE, and we believe that there will be much more American exhibitors in CIAPE 2009.”

Peter MacGillivray, Vice President, Events and Communications, SEMA

“This year’s show was very exciting for us to visit, because it really demonstrates the passion and enthusiasm that the businesses have for the specialty equipment industry. It’s fantastic. We met a lot of very interesting businesses here that are working to expand their market in China. But also the visitors, the attendees were of high quality. They are very engaged with the industry and they are very interested in why we were here and what we were doing. We are very satisfied with our experience this year. It is one of those situations where we will go home with many more contacts and much better understanding of this market and much better understanding of which way we are going to move forward.”

Mr. Vincent Guglielmo, Vice President of Automotive Parts Manufacturers Association (APMA)

“This is our first participation in CIAPE. We are here this year with the Government of Canada, the Province of Ontario and four manufacturers from Canada that came to participate the show. This is not our first time visit to China. In 2004, with the Government of Canada, we led a trade mission (20 companies) to several cities in China. We appreciate the kind invitation from the Organizing Committee of CIAPE. As we saw, CIAPE indeed is a big platform that could cooperate in a long-term relationship. Also, our president Mr. Gerald Fedchun will not miss this big event next year!”

Mr. Ben Bartlett, International Membership Manager of Australia Automotive Aftermarket Association (AAAA)

“We participate CIAPE for the first time this year, and congratulation! I visit all the halls and see that CIAPE is really big! Also, I am very happy to see the tuning cars hall here. Although tuning cars is a very small part of automotive after market area, we feel the increasing emphasis of after market area in CIAPE.”

Mr. Hans-Joachim Lumbe, Vice President, the German Association of Materials Management, Purchasing and Logistics (BME)

“I am deeply impressed by the number of exhibitors you got here. On the same side, the technology they are displaying here are certainly in many cases far more than I really have expected.”

Ms. Julia Gelupiank, Vice President, Russian Auto Parts Purchasing Delegation

“CIAPE is a very successful and high-level exhibition. All our delegation members have fully

achieved their purchasing goals and are very satisfied with CIAPE. We will continue to organize Russian enterprises in the purchasing, circulation, repairing and testing sectors to participate in CIAPE in the future. ”

Ms. Zhu Yuan, President, Russia-China Joint Association of Entrepreneurs and Businessmen
“The Russian market has huge demands for China’s automobile and auto parts products. One member of our Russian purchasing delegation is Russian Professional Driver’s Labor Union, which focuses on goods transportation. The association owns thousands of vehicles, and has huge demands for auto parts and components. In the past, they usually made their purchase in countries like Turkey. This is the first time for them to participate and purchase in auto parts exhibition in China, and they have found their targeted products. CIAPE 2008 has surprised us a lot in terms of scale, exhibitors and exhibits. ”

Ms. Elizabeth Harrington, President & CEO of e-harrington global

“I have already participated in China International Auto Parts Expo in 2007. This is my second time here. CIAPE is a very important exhibition. It attracts world famous auto parts enterprises, and provides a communication platform. It creates opportunities for China’s domestic companies to absorb advanced technology from all over the world, and opportunities for the outside world to better understand Chinese companies. ”

Mr. Markus Haeussler, TUV Rheinland Group China

“TUV Rheinland is very honored to be invited to participate in CIAPE 2008 and the Summit Forum. This gives us a chance to communicate with various companies and dealers from China and abroad. We are very happy to see all the importance the Chinese government has attached to the exhibition. This demonstrates the government’s strong confidence in and the support to China’s automotive industry. TUV Rheinland sincerely wish a greater success of CIAPE in 2009.”

Mr. Dave Rimathe, Purchasing, DeeZee

“We are a company mainly focusing on OE market and aftermarket in America providing OE for GM and Ford. We are looking forward to establish business relationship with more Chinese clients based on this platform. During the exhibition, we have met with many target customers including both suppliers and purchasers. We have contacted with South East Motor, JAC and Great Wall Motor, and are willing to cooperate with them in the area of OE market. We have received some suppliers with high-quality from different provinces. The companies satisfied us very much and are beyond our expectation.”

Mr. Michael John Whitby, Mayor of Birmingham, UK

“China is one of the most powerful economies in the world today, and automotive industry is a very important section in China’s economic development. Since Birmingham is also a traditional automotive city, I was invited to attend this grand event, hoping to find cooperation opportunities in the automotive industry between Birmingham and China. CIAPE is a very good communication platform, and we hope that more and more Chinese companies will establish their R&D base in Birmingham in the future.”

Mr. Guo Xinmin, President, Beijing Hainachuan Automotive Parts Co., Ltd.

“China International Auto Parts Expo is an authoritative and internationalized event. All the exhibitors are famous and competitive auto parts companies. By participating in CIAPE 2008, Beijing Hainachuan Automotive Co., Ltd would like to demonstrate its systematic and diversified products, its various branch companies and brand image. Besides, Hainachuan would also like to demonstrate the overall level of Beijing auto parts industry, and its prospect of development under the guidance of collectivization strategy and sophisticated concepts. We hope that, through CIAPE, people will have a renewed understanding about Beijing auto parts industry. And we hope to further establish the brand image of Hainachuan, to step into the world market as an internationally competitive company.”

Mr. Mou Liping, Manager of Sales Department, Inner Mongolia OED Power Assembly Sales Company.

“We’ve really gained a lot in CIAPE this year. Our engines with the new technologies like the Common Rail Direct Injection, Variable section sweep, turbocharger have earned the attention of many interested visitors from North America, Middle East, Russia, Southeast Asia, and domestic OEMs and suppliers. We benefit a lot in terms of brand promotion and products release. We sincerely wish a greater success of CIAPE in the future.”

Mr. Xu Jie, Sales Manager, Shandong Gold Phoenix Group Co., Ltd.

“CIAPE is an excellent and necessary platform set up by the government. We have received more than 30 groups of foreign visitors since its opening. They are impressed by our premium products and reasonable price as well as our competitiveness. Besides, we are very satisfied with the services of CIAPE. Just now, when our interpreter was busy meeting with another customer, the organizing committee lent us a helpful hand by sending us an English-speaking volunteer. CIAPE enjoys a bright and promising prospect.”

Mr. Lu Shaoquan, Import/Export Department Deputy Manager, Shijiazhuang Jingang Internal Combustion Engine Parts Group Ltd.

“During CIAPE, we have received quite a few foreign clients, among whom we negotiated selectively. Two clients are especially important to us: one junk head company from Brazil, and we can make use of their channel to sell our products to Brazil. Another is company from Iran specializing in producing valves, and we can also make use of their sales channel to do business in Iran. Therefore, we have benefited a lot from this exhibition.”

Ms. Yang Xu, Ningbo Filter Co., Ltd.

“Participating in CIAPE this year is very rewarding to us. A Brazilian buyer has signed an order for a counter of windshield wipers with us yesterday and we have also reached an intention of cooperation for filters with Brazilian suppliers. We expect better development by means of this platform.”

Mr. Lin Feng, Application Engineer, Sulzer Metco Surface Technology (Shanghai) Co., Ltd.

“We are a Swiss-based foreign company, mainly specializing in the surface treatment of auto parts products. CIAPE offers us a good opportunity for showcasing our brand image and

setting up business relations with new customers. We are very satisfied with all the professional visitors coming to our booth.”

Mr. Zhang Huicheng, Director of General Manager’s Office, Zhejiang Wanfeng Auto Wheel Co., Ltd

“Concerning the Hall of Tuning Cars and Equipment, there is more potential for development. It greatly attracts the general audience. Lots of visitors stopped at our booth, commented that our wheels on show are very attractive and asked about our shops in Beijing. This testifies the growing interest and demand for tuning cars among the people especially the youngsters. Though tuning car market in China is still in the embryo phase of development, personalization in consumption is the trend. It is our perspective that in 5 to 10 years China’s tuning car market will be formed and prosperous. Thus we expect a bright future in this field.”

Mr. Jin Long, Market Manager, Beijing Wufang Tianya Auto Parts Market

“CIAPE is really a very good exhibition. By participating in CIAPE, we would like to demonstrate our competitiveness, to make ourselves known to more manufacturers and dealers, and to promote our sales. We have fully achieved the above goals.”

Mr. Kevin Chen, President, Gasgoo International

“Compared with CIAPE last year, CIAPE 2008 has been improved in size, the quality of exhibitors and visitors as well as its fringe activities. Gasgoo has invited over 50 international purchasers and released around 300 purchasing items. More than 30 buyers have made orders and more than 300 suppliers are satisfied with substantial achievement on site. We sincerely hope that the state-level platform of CIAPE will get even better next year, and provides Chinese auto parts suppliers with an outstanding international platform.”