

PRESS RELEASE

April 19, 2021

voestalpine profits from economic upswing in China and expands capacities

China has managed the coronavirus-induced 2020 economic crisis faster than any other country, and is already back on a path to growth. Beneficiaries of this recovery include the international voestalpine Group, with its 40 sites and 3,000 employees in the country. Growing demand in the premium segment of the automotive industry in particular is ensuring good capacity utilization, and voestalpine is responding quickly by expanding capacity. New high-tech products for railway infrastructure as well as welding consumables are also increasingly filling the order books. Furthermore, the steel and technology Group recently continued the rollout of its pioneering 3D-printing process with metal powder by opening two new Chinese sites.

China has been a voestalpine growth market for many years. Key customer segments include the automotive, railway infrastructure, household goods, and energy industries, in which the company generated revenue of EUR 557 million in the business year 2019/20. “In the midst of the COVID-19 pandemic, our broad regional and technological positioning, paired with a consistent focus on innovative product solutions, has once again proved its worth. As a high-tech provider, the current economic upswing in China is directly benefitting us,” says Herbert Eibensteiner, Chairman of the Management Board of voestalpine AG. The International Monetary Fund (IMF) is expecting economic growth of around 8 percent for the People’s Republic in 2021; the country was the only major economy worldwide to grow in 2020. The government’s new Five-Year Plan which came into force in March 2021 is also expected to act as an additional stimulus.

Premium automotive parts in demand

Positive demand in the premium automotive segment is currently leading to a high level of capacity utilization in voestalpine’s Chinese automotive plants. The subsidiaries in the voestalpine Automotive Components Group are producing ultra-high strength body parts at the Shenyang and Tianjin sites, near their German automotive customers. The voestalpine lightweight construction innovation phs-ultraform® is also playing a key role: “We have carved out an innovation advantage for ourselves as the only local manufacturer of these ultra-high strength lightweight components for the automotive industry, and this is now benefitting us. That’s why our plants in China are currently running at full capacity,” explains Eibensteiner. Investment into expanding production, to allow additional orders to be processed, is already planned for the current business year 2021/22.

Intelligent rail monitoring for the Chinese metro

voestalpine Railway Systems operates two joint ventures in China’s turnout technology sector, and is one of the top 3 suppliers for the national high-speed rail network. The first local production facility for turnout monitoring systems was established in 2020 and has now finished processing its first major order for the metropolis of Kunming with its millions of inhabitants: Line 4 of the metro—43 kilometers in length and with 29 stations—is being equipped with a state-of-the-art axle counting system. This offers fully digital monitoring of the individual track sections, and issues track vacancy reports to ensure safe rail operations. The Chinese government is also planning to build a total of more than 100 new tramway and metro systems in future, in cities with a population of over one million. voestalpine

intends to leverage its local presence and ongoing digital innovations to secure numerous important future project contracts.

Two new 3D-printing centers

At the end of last year, voestalpine also continued the rollout of its pioneering 3D-printing process with metal powder in China. In addition to the five voestalpine additive manufacturing centers around the world (Düsseldorf, Taiwan, Singapore, Toronto, and Houston), the innovative technology is now also being used at two new sites, in Shanghai and Dongguan. Both competence centers will focus on toolmaking, primarily for the automotive and consumer goods industries, as well as for medical technology applications.

Excellent level of orders for voestalpine welding technology

There are signs of growth in ultra-high strength welding wires which are used in steel construction, and welding filler materials for use in sectors including the automotive and oil & gas industries. voestalpine Böhler Welding, a specialist in this field, produces in China to European quality standards, and, following massive public investment in new infrastructure projects, its order books are full. Despite the economic crisis, in 2020 the company profited from the excellent level of orders in the construction industry. A further production line at the site in Suzhou is currently in the run-up phase.

The voestalpine Group

In its business segments, voestalpine is a globally leading steel and technology group with a unique combination of material and processing expertise. voestalpine, which operates globally, has around 500 Group companies and locations in more than 50 countries on all five continents. It has been listed on the Vienna Stock Exchange since 1995. With its top-quality products and system solutions, it is a leading partner to the automotive and consumer goods industries, as well as the aerospace and oil & gas industries, and is also the world market leader in railway systems, tool steel, and special sections. voestalpine is fully committed to the global climate goals, and is working intensively to develop technologies which will allow it to decarbonize and reduce its CO₂ emissions over the long-term. In the business year 2019/20, the Group generated revenue of EUR 12.7 billion, with an operating result (EBITDA) of EUR 1.2 billion; it has around 49,000 employees worldwide.

Please direct your inquiries to

voestalpine AG
Mag. Peter Felsbach
Head of Group Communications | Spokesman

voestalpine-Strasse 1
4020 Linz, Austria
Phone: +43/50304/15-2090
peter.felsbach@voestalpine.com
www.voestalpine.com