
(Sample)

Huidian Research

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4. Situation Analysis and Development Trend of China’s Forklift Industry

4.1 Industry Background

4.1.1 Domestic Industry Background

As for domestic forklift industry, the history is short, but the development is rapid. China’s forklift industry started in 1950s, and it began to take shape in 1970s. At present, there are more than 30 internal combustion forklift enterprises, about 20 electric forklift enterprises, more than 30 warehouse forklift and light-small industrial trucks enterprises, as well as more than 10 wholly foreign-owned enterprises and joint ventures in China.

The development in product line aspect is comprehensive. Since 1980s, China’s forklift design and manufacturing technology had gained rapid development through introducing advanced technologies from TCM, Mitsubishi and Nissan. At present, China’s complete machine design technology has been close to the international advanced level, but the technology gap in engine and other key parts design and manufacturing field is still relatively large. Anhui Forklift Truck Group, the largest domestic forklift manufacturer, can produce more than 400 types of industrial vehicles.

Joint ventures and wholly foreign-owned enterprises entered China in large scale, and they occupy certain market firmly. Currently, the most advanced global industrial vehicle manufacturing groups set up wholly owned enterprises and joint ventures in succession, which not only improves the overall level of China’s industrial vehicle industry and also causes fierce competition in domestic market; more than ten joint ventures and wholly owned enterprises have formed, such as Linde (Xiamen) Forklift Co., Ltd., Anhui TCM Forklift Co., Ltd., Shanghai Hyster Forklift Manufacturing Co., Ltd., Shanghai Nichiyu Forklift Manufacturing Co., Ltd., DAYU Heavy Industry Yantai Co., Ltd., Beijing Hyundai Engineering Machinery Co., Ltd., Tailift Qingdao Co., Ltd., and Hunan Desta Forklift Manufacturing Co., Ltd.. These enterprises occupy increasingly large market share in China by virtue of good quality and diversified variety. As for the foreign well-known manufacturers which have not set up factories in China also actively develop agents in China and have gain certain sales scale.

Market demand shows significant growth and the industrial scale expand rapidly. When it entered 1990, the domestic demand for forklifts (include imported forklifts) was about 25,000 units, and the demand volume increased continuously since 2000; it is estimated that the demand volume will exceed 300,000 units in 2013.
Industry pattern shows differentiation and develops towards positive direction. The industry development begins to show obvious differentiation, only few enterprises have flourishing performance and most enterprises become worse. In the enterprises which do not have sound performance, only small number enterprises suffer from individual problems, and most enterprises suffer from the inferior quality of entire industry structure; another important reason for this situation is the strong impact which is brought by the entrance of enormous international powerful manufacturers in the form of wholly owned enterprises and joint venture. So far, the industry leader has formed basically and the industry structure also develops towards a healthy direction, the scale merit has been reflected obviously, and the overall industry profitability has restored completely.

Fig. 3 Strategic Cluster in China's Forklift Industry

Source: Huidian Research

4.1.2 Industry Cycle

In worldwide perspective, the forklift product and forklift industry are in mature period; however, as for domestic condition, they are still in the development period: the product technology still needs to be improved, products application range and usage have not been expanded sufficiently, the industry natural adjustment in market economy environment is still in the development stage, and also, the usage awareness of users and R&D awareness and ability of enterprises are backward.
5. Analysis and Forecast of China’s Forklift Market Situation

5.3 Forecast of Supply and Demand, 2013-2017

5.3.1 Supply

Under the influence of market demand, the output growth magnitude of the internal combustion forklift will gradually decline in the future few years; the growth magnitude of electric forklifts will obviously rise. It is estimated that the output of internal combustion forklifts will reach 280,000 sets and electric forklifts will reach 313,000 sets.
sets by 2017.

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