SANY's US unit looking past tariffs

2018-07-03

By Hong Xiao in Peachtree City, Georgia |   
 China Daily USA |  
 Updated: 2018-07-03 15:29

Since cranes and other "lifting equipment" have landed on the list of Chinese goods now facing 25 percent tariffs in the US, SANY America, the US branch of the Chinese heavy construction equipment maker, is showing concern.  
"Everything is on the tariff list," said Doug Friesen, CEO of SANY America. "As a global company, we are concerned about that because it affects our businesses."  
The company, located in Peachtree City, Georgia, manufactures, sells and supports construction and material handling equipment, including cranes, excavators, and heavy forklifts in the US, Canada, Mexico and Central America.  
"Our current main business in the United States is to sell excavators. With the current tariff situation, it makes it difficult for us to compete, and it hurts us to do business in the United States. So we don't like it," Friesen said in an interview with China Daily on June 22 at his office.  
Friesen said that Sany produces products for the business world that helps to enrich dealers, contractors and end user customers, helping to build infrastructure to build a better world. Friesen considers the escalating tariff tensions a governmental conflict, as a result said they are now doing everything in their power "to work with Washington to help them understand that SANY, even though its parent company is in China, does not match the issues that they are having with tariffs," he said.  
"The tariff issue is surrounded by high-tech companies, we are not a high-tech company," he explained. "The tariffs are surrounded by intellectual property concerns, we are not an intellectual property concern."  
"We don't match those criteria, and we believe that we should be exempted from those kinds of tariffs," he emphasized.  
"Particularly as we are just starting up our manufacturing process, we are the poster child of what American Government wants out of foreign investment. We now have to find ways to countermeasure this tariff and not put this burden on the customer base so our growth can continue," he said.  
"Because with or without tariffs, we are determined to stay in this market place and continue to move forward as we have always planned," he added.  
Founded in 1989 in Changsha, capital of Hunan province, SANY Group is the sixth-largest heavy equipment manufacturer in the world. The company exceeds sales revenues of $8 billion and has 53,000 employees in more than 120 countries.  
With five industrial parks in China, SANY also has research and development and manufacturing or assembly facilities in Germany, India and Brazil.  
In 2007, SANY signed a memorandum of understanding with the state of Georgia to invest $60 million to build its first North American facility in Peachtree City.  
In March 2011, the first phase of its assembly plant was completed. The facility, which cost $120 million in total, has 340,000 square feet of manufacturing space and 60,000 square feet of office space. The first excavator rolled off the production line in February 2012.  
The company currently employs about 70 people. With the manufacturing process, it expects to hire 300 to 500 more employees.  
"As a subsidiary of SANY China, we are just getting started in the United States to make an impact on the US market," said Friesen, who has been CEO since June of last year.  
Friesen said SANY is looking forward to becoming a major player in the US "and in order to do that, one of the biggest and most exciting things we are doing right now is bringing manufacturing to the US," he added.  
"At the moment, we do import everything, because when one first starts up a new brand of Sany's caliber, it is good to start with the sales and service organization first. Once you establish yourself in the marketplace, then you can take step two - which is growing the manufacturing base," he explained.  
Friesen said it's an advantage that SANY made the move to go to manufacturing before the tariffs were announced.  
"It wasn't the situation where tariffs came in and we decided on manufacturing but the long-term plan was always manufacturing, that has been a long-term vision," he said.  
"So the timing is perfect for us as we've already started down that road...our ability to come to manufacturing will be quicker than normal," he said confidently.  
Friesen believes foreign investment stimulates the economy within the US.  
"More competition makes the whole economy better...as you grow, the growth is able to stimulate the employment, and the employment is what really generates the economy to move forward, that's what we are trying to do," he said.  
Other than SANY, there are 47 Chinese facilities operating in Georgia currently.  
"Over the long term, there will always be changes in regulations, taxation and things like tariffs. In Georgia, we are very focused on keeping the state of Georgia in a very business friendly environment," Scott McMurray, Georgia's director of global commerce, told China Daily in DC last week.  
"So whether there is a different president in the White House, whether we have a different governor in Georgia, our state just keeps on creating the best environment for Chinese companies to come, plant roots and grow in our state," he added.  
Dong Leshuo in Washington contributed to this story.

http://www.chinadaily.com.cn/a/201807/03/WS5b3b25dda3103349141e06e3.html