

Business relations with China & geopolitical situation

April 2023

Hauke Hannig
Pressesprecher
ebm-papst Unternehmensgruppe

Telefon: +49 7938 81-7105
Mobil: +49 171 36 24 067

Hauke.Hannig@de.ebmpapst.com
www.ebmpapst.com

[Twitter](#) / [Facebook](#) / [Youtube](#) /
[Instagram](#) / [LinkedIn](#)

Which internationalization plans and international investment plans does the ebm-papst Group have?

With our "local for local" glocalization strategy implemented since 2017, we think globally and want to expand our business worldwide, while at the same time successively establishing ourselves independently locally in the Europe, Asia-Pacific, and Americas regions. This will enable us to optimally serve the respective market requirements, reduce global transports and become less dependent on a worldwide supply chain. We aim to map three supply chains by successively supplying our production facilities in the Americas, Europe and Asia-Pacific through local suppliers.

Due to increasing market demand in North America for energy-efficient products, we are strengthening our USA business. We had just inaugurated our new American plant (approx. €40 million investment) in November 2022 and are already planning the next one. In China, too, we recently completed the new regional headquarters, which will consolidate all previous sites in Shanghai, enabling us to increase our efficiency and respond even better to market needs.

In terms of geopolitical developments and the Chinese government's industrial strategy, are you still keeping the business in China?

We will continue to invest in the development of ebm-papst China, as most recently with the construction of the new local headquarters ONE Shanghai. True to our glocal approach "local for local", we will produce in China for China. We do not see China as a manufacturing location for Europe. The supply chain within Europe and Germany must also become more independent of China. The future of all our sites is to supply local production locally.

How do you address the risk of potential supply chain disruptions?

Globalization has been replaced by glocalization: Think globally, act locally and manage locally. For us, localization means that everything from development to product management, purchasing, sales, and application takes place locally in the respective country. In this way,

FAQ

ebmpapst

engineering a better life

we also want to set up supply chains for our Europe, Asia-Pacific and Americas regions independently of each other.

Our 'local for local' strategy has three clear advantages for us. Being close to the customer. An independence in the supply chain. And the reduction of emissions.

What disadvantages do you experience as a German company in China?

We have few disadvantages in China. We are working with the same conditions as other international and national companies and are not put at a disadvantage in tenders. On the contrary, interest in investments from abroad is very high.

As a German company, what is your view of the current geopolitical situation in the interplay between the USA, China and Russia?

As part of our "local for local" glocalization strategy, we are continuously and independently expanding our three regions Europe, Asia-Pacific, and Americas. In this way, we aim to achieve significant independence in supply chains and political tensions, precisely serve the market needs of the regions, and supply our local customers even faster.

In the Chinese market, we see ourselves as established thanks to our many years of local experience and thanks to "local for local". This strategy makes us less dependent on possible political tensions, trade restrictions, fluctuating exchange rates or even more recent developments such as decoupling in China. In this context, China is establishing its own standards in some areas with the aim of decoupling from global harmonization. Our local presence makes it easier to adapt our products to the standards there and enables good cooperation with the local authorities.

We strongly condemn the Russian government's war of aggression on Ukraine. We also withdrew from the Russian business in mid-2022 and sold our two subsidiaries there to local management. In Europe, we need a clear and common industrial strategy in the future, especially for energy, swift decisions, and the reduction of bureaucracy to remain competitive. It is important to map out our own supply chain in Europe as well, for example by necessarily setting up semiconductor production in and for Europe. We need these chips for our efficient and intelligent fans.

Hauke Hannig
Pressesprecher
ebm-papst Unternehmensgruppe

Telefon: +49 7938 81-7105
Mobil: +49 171 36 24 067

Hauke.Hannig@de.ebmpapst.com
www.ebmpapst.com

[Twitter](#) / [Facebook](#) / [Youtube](#) /
[Instagram](#) / [LinkedIn](#)

FAQ

For how long have we rented the ONE Shanghai building from Jingiao Group?

The rental period will be 20 years. This decision is based on our confidence in Chinese Market with long term investment and focus. Meanwhile, we also want to strengthen the sense of belongings of our employees with a stable career development with ebm-papst.

ebmpapst

engineering a better life

Hauke Hannig
Pressesprecher
ebm-papst Unternehmensgruppe

Telefon: +49 7938 81-7105
Mobil: +49 171 36 24 067

Hauke.Hannig@de.ebmpapst.com
www.ebmpapst.com

[Twitter](#) / [Facebook](#) / [Youtube](#) /
[Instagram](#) / [LinkedIn](#)