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Chinese Construction Machinery Firm Expects Order

By The Moscow Times

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BEIJING — Xugong Group Construction Machinery, China's biggest maker of construction equipment, expects to win a multibillion-dollar order tied to Russian gas projects as it works to boost sales overseas.

The contract will be "several times" the size of a $750 million order the company won in Venezuela earlier this year, chairman Wang Min said last week. The deal, covering a range of products, will run over two or three years, he said.

The company also plans a "major" acquisition of a European machinery maker in about six months, and it's in talks about forming a venture with a U.S. leasing company, Wang said, declining to elaborate.

Sany Heavy Industry, controlled by China's richest man, Liang Wengen, is also targeting overseas expansion as slower economic growth damps sales of excavators, cranes

and concrete-pump trucks in China.

Xugong Group will start constructing a plant later this month in Brazil, Wang said. The equipment maker is also looking at sites for a facility in Indonesia and considering starting production in Kazakhstan, South Africa and India, he said.

The group, based in Xuzhou, Jiangsu province, expects overseas sales of least $1 billion this year, more than double last year's tally, Wang said. Total sales will likely rise 36 percent from last year to 90 billion yuan ($14 billion), Wang said.

"I would be very satisfied if sales can continue growing about 30 percent a year until 2015," he said.

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