



# Great Wall



**Official name:** Great Wall Motor Company Limited.

**Owned by:** Mysterious Chinese investors plus public shareholding.

**Corporate slogan:** “Creation of China, Patriotic Heart”.

**Current situation:** Although Great Wall is currently a minor player offering cheap knockoffs of Western cars, it has global ambitions. Great Wall appears to be well financed and has several modern car factories.

Great Wall claims to export to 120 countries worldwide, but most of these countries are in the Third World, where quality and safety expectations are pretty low. Great Wall desperately needs to sell high value cars into the West if it is to flourish.

**Chances of survival: reasonable**, provided Great Wall doesn't grow too fast and provided it improves its vehicles sufficiently to gain credibility in the West •



## A brief commentary on Great Wall Motor

**F**OUNDED in 1984, Great Wall Motor is China's second largest exporter of cars and China's largest privately owned motor company. Although Great Wall's output is currently tiny by world standards, it owns several state-of-the-art factories capable of massive production.

Great Wall's goal is to be a major player in the world car business. Whether or not it succeeds will depend on how quickly it can move from being a maker of low-cost knockoffs of existing models to becoming a quality manufacturer.

Great Wall Motors has a well-earned reputation for playing fast and loose with other carmakers' designs. In China the judiciary are rather forgiving towards local companies that copy foreign products, but overseas courts are less indulgent. In 2008, for example, an Italian judge fined Great Wall Motors heavily for pinching the design of its Peri model from a Fiat Panda.



**GREAT WALL PERI**



**FIAT PANDA**

It is unclear where Great Wall is getting its finance. Although it has a strong presence on the Hong Kong stockmarket, the money raised there appears to be insufficient to pay for its current massive expansion.

Although Great Wall is ostensibly privately owned, it clearly has friends in very high places, and the Chinese government, directly or indirectly, is likely to be a major backer.

China's car companies cannot survive by selling only within China, where many cars are sold at cost or below in a desperate race for market share.



Chinese car companies need to export to survive. Great Wall claims to export to 120 countries worldwide, but most of these countries are in the Third World, where quality and safety expectations are pretty low.

Great Wall is desperate to tap into the lucrative Western car market but currently lacks both the products and the marketing expertise to make a major impact.

Great Wall's current situation is not all that much different to, say, Nissan in the 1960s, when its products were often lightly built clones of Western cars. With time, however, Nissan got its products right and became a major manufacturer. Great Wall could be the next Nissan.

However, expanding at a frenetic pace at a time of global financial uncertainty is a dangerous gamble. Great Wall's casual copying of Western models is likely to raise protectionist sentiments in the West. Also, the world is horribly oversupplied with cheap cars. If Great Wall grows too big, too fast, it could be China's first major car company casualty.

Whether the Chinese government would let Great Wall fall, however, is another matter. For the Chinese car industry and China generally, it's either 'export or die'.

If it can survive the next few years, Great Wall could grow into one of the world's major car companies •



Oh shit! How do we get down again?

