

**SME Development Fund (SDF)/
Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)
(Organisation Support Programme) (OSP)**

Final Report on Approved Project

Project ref. no. : BUD 13 3 010
Project title : Upgrading Hong Kong auto parts industry to meet
customer-specific requirements of the Mainland
automobile OEM manufacturers
Period covered : From 01/02/15 to 30/11/17
(dd/mm/yy) (dd/mm/yy)

1. Project Details

(Please mark with "*" if any of the following project details is different from that in the project proposal appended to the project agreement.)

Project Summary (in about 150 words)

The objective of this project is to establish a multi-directional promotional platform for Hong Kong auto parts manufacturers to seize the opportunities and break into the domestic automotive OEM market. To identify, assess and disseminate "Customer-Specific Requirements (CSRs)" of the Mainland leading automobile manufacturers (e.g. Shanghai General Motor 上海通用, Beijing Hyundai 北京現代, Guangzhou Automobile Group 廣汽集團, Dongfeng Motor 東風汽車, Geely 吉利, Faw-Volkswagen 一汽大眾, Changan Ford 長安福特汽車 etc.) for upgrading the local auto parts manufacturers' capabilities. This project aims at congregating the capabilities of HK enterprises to create an enormous local automotive industry cluster and explore the market to build strategic business cooperation with the Mainland automobile manufacturers; so as to achieve the CSRs requirements and gain immediate benefits to be qualified as suppliers, making a breakthrough into future automotive supply chain and enter the domestic auto parts OEM market.

Project Objective(s) (in about 80 words)

- To promote Hong Kong auto parts manufacturing capability and quality products to the Mainland automotive OEM market;
- To upgrade and advance the capability of Hong Kong auto parts industry to comply with the CSRs of Mainland automobile manufacturers;
- To set the platform for Hong Kong auto parts manufacturers' to understand related industry requirements and assist them to break into the Mainland automotive OEM supply chain.

Grantee/Collaborating Organisation/Implementation Agent

Grantee : Hong Kong Auto Parts Industry Association Limited
Hong Kong Foundry Association (Former name: Hong Kong Diecasting and Foundry Association),
The Hong Kong Mould and Product Technology Association,
The Hong Kong Metals Manufacturers Association,
SAE International (Hong Kong),
Collaborating Organisation(s) : The Hong Kong Electronic Industries Association
Implementation Agent(s) : Hong Kong Productivity Council

Key Personnel

	<u>Name</u>	<u>Company/Organisation</u>	<u>Tel No. & Fax No.</u>
Project Co-ordinator	<u>Mr. Chan Hon Hung</u>	<u>Hong Kong Auto Parts Industry Association Limited</u>	<u>2788 5457</u>
Deputy Project Co-ordinator	<u>Mr. Shan Ming Yin, Raymond</u>	<u>Hong Kong Productivity Council</u>	<u>2788 5330</u>

Project Period

	<u>Commencement Date</u> (day/month/year)	<u>Completion Date</u> (day/month/year)	<u>Project Duration</u> (No. of months)
As stated in project agreement	<u>01/02/2015</u>	<u>31/07/2017</u>	<u>30</u>
Revised (if applicable)	<u>01/02/2015</u>	<u>30/11/2017</u>	<u>34</u>

2. Summary of Project Results

Project Deliverables

(Please list out the project deliverables as stated in the project proposal appended to the project agreement and provide details related to the actual result achieved for each of them.)

	Project deliverable	Quantifiable target number (e.g. 100 participants)	Actual result achieved (e.g. 90 participants)	Reasons for not achieving the target, if applicable (e.g. The total number of registered participants was over 120. However, some of them did not show up eventually. Will strengthen promotion and try to make up for the shortfall in the following two seminars.)
a)	Organise 6 study missions cum business networking activities to 20 leading Mainland automobile manufacturers	Around 25 participants x 6 study missions	6 study missions were implemented. <u>Changchun</u> : 28-31Mar 2016 23 participants <u>Wuhan</u> 21-24 Sep 2016 21 participants <u>GuangZhou</u> 17-18 Nov 2016 25 participants <u>Beijing and Tanjin</u> 19-22 Feb 2017 24 participants <u>ChongQing and ChengDu</u> 22 -25 May 2017 24 participants <u>Shanghai and Ningbo</u> 19-22 Sep 2017 24 participants	
b)	Set up a Hong Kong Auto Parts Pavilion (around 120m ²) at 6 major automotive industry exhibitions in the Mainland	6 times	6 Hong Kong Auto Parts Pavilion were setup. <u>Shanghai</u> Automechanika Shanghai 2-5 Dec 2015 <u>Changchun</u> 2016第12屆中國長春國際汽車零配件及售後服務用品展覽會 31 Mar - 2 Apr 2016 <u>Wuhan</u> 第17屆「中國國際機電產品博覽會」 23-25 Sep 2016	

			<p><u>Guangzhou</u> 2016廣州國際汽車 零部件及用品展覽 會 18-20 Nov 2016</p> <p><u>Chengdu</u> 2017成都國際汽車 零配件及售後服務 展覽會 25-27 May 2017</p> <p><u>Shanghai</u> 中國國際汽車商品 交易會 21-23 Sep 2017</p>	
c)	Obtain 12 CSRs from different leading Mainland automobile manufacturers through the participation in automotive industry exhibitions, study missions and business networking activities	12 CSRs	12 CSRs	
d)	Select 8 CSRs (from the collected 12 CSRs) to perform gap assessment analysis and in-depth study with 8 pilot companies by HKPC and DNV consultants	8 CSRs	8 CSRs	
e)	Compile “The Comprehensive Mainland Automotive CSRs Implementation Guidebook” (1,500 copies)	1 guidebook	1 guidebook	
f)	1-day public dissemination workshop	1 one-day workshop	1 one-day workshop	
g)	Place advertisement to promote “Quality Hong Kong Auto Parts” at 2 popular Mainland auto parts monthly magazines for 12 months and at their annual edition	4 publications	4 publications	
h)	Conduct e-promotion campaign on two popular search engines	2 search engines	2 search engines	
i)	Produce a “Directory of Hong Kong Auto Parts Manufacturing Industry” (3,000 copies), promotion kits (2,000 sets) and pamphlets (2,000 copies)	3,000 copies of directory, 2,000 sets of promotional kits and 2,000 copies of pamphlets.	3,000 copies of directory, 2,000 sets of promotional kits and 2,000 copies of pamphlets.	
j)	Upload all project deliverables to the association website for free access	1 job	1 job	

Details of the deliverables (e.g. date, duration, venue, speaker, topic discussed, etc.)

(Please list out in table format if necessary.)

a) 6 study missions were implemented, Details as following shown:

- 長春汽車零部件商務/技術合作考察團 (Duration : 28-31 Mar 2016; Participants : 23)
 - 武漢汽車零部件商務/技術合作考察團 (Duration : 21-24 Sep 2016; Participants : 21)
 - 廣州汽車零部件商務/技術合作考察團 (Duration : 17-18 Nov 2016; Participants : 25)
 - 北京/天津汽車零部件商務/技術合作考察團 (Duration : 19-22 Feb 2017; Participants : 24)
 - 重慶/成都汽車零部件商務/技術合作考察團 (Duration : 22-25 May 2017; Participants : 24)
 - 上海/寧波汽車零部件商務/技術合作考察團 (Duration : 19-22 Sep 2017; Participants : 24)
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b) 6 HK Pavilions were set up in exhibitions. Details as following shown:

i.

Name of exhibition: Automechanika Shanghai
Period: 2-5 Dec 2015
Venue: National Exhibition and Convention Center (Shanghai)
Date of seminar: 3 Dec 2015
Number of participants of seminar: 53

ii

Name of exhibition: 2016第12屆中國長春國際汽車零配件及售後服務用品展覽會
Period: 31 Mar-2 Apr 2016
Venue: National Exhibition and Convention Center (Shanghai)
Date of seminar: 1 Apr 2016
Number of participants of seminar: 32

iii

Name of exhibition: 第17屆「中國國際機電產品博覽會」
Period: 23-26 Sep 2016
Venue: Wuhan International Expo Center
Date of seminar: 24 Sep 2016
Number of participants of seminar: 38

iv

Name of exhibition: 2016廣州國際汽車零部件及用品展覽會
Period: 18-20 Nov 2016
Venue: China Import and Export Fair Pazhou Complex
Date of seminar: 19 Nov 2016
Number of participants of seminar: 43

v

Name of exhibition: 2017成都國際汽車零配件及售後服務展覽會
Period: 25-27 May 2017
Venue: Chengdu Century City New International Convention and Exhibition Center
Date of seminar: 26 May 2017
Number of participants of seminar: 43

vi

Name of exhibition: 中國國際汽車商品交易會
Period: 21-23 Sep 2017
Venue: National Exhibition and Convention Centre (Shanghai)
Date of seminar: 22 Sep 2017
Number of participants of seminar: 31

A Hong Kong Pavilion of 120 sqm in size was set up in each exhibition as above. There were 32 local companies engaged in auto parts manufacturing to show over 150 different pieces of auto parts made by Hong Kong in the Pavilion. Besides, a half-day product promotion seminar and business networking was hold in each exhibition. The Hong Kong Automotive Parts and Accessory Systems (APAS) R&D Centre also exhibit the latest auto parts product and technological developments in the Pavilion of Automechanika Shanghai. All manufacturers sending staff to man the HK Pavilion will make presentations of their product after presentations on overview Hong Kong auto parts industry and recent technological and manufacturing systems achievement by Hong Kong Auto Parts Industry Association and HKPC representatives. A soft opening of the HK Pavilion was scheduled in the morning of the first day of each exhibition. We also conducted survey with 50 to 100 visitors for collecting their comments and feedback on the Hong Kong Auto Parts in each exhibition. Besides, around 10 interviews were conducted with staff of companies sending staff to man the Pavilion for collecting their comments on customers' feedback during the exhibitions and business networking.

c) The CSRs have been obtained from the following 12 Mainland China automobile manufacturers

1. 一汽-大眾汽車有限公司
2. 上汽通用五菱汽車股份有限公司
3. 上海大眾汽車有限公司
4. 上海通用汽車有限公司
5. 長安福特汽車有限公司
6. 長城汽車股份有限公司
7. 美國偉世通公司
8. 美國德爾福公司
9. 重慶長安鈴木汽車有限公司
10. 海馬汽車集團股份有限公司
11. 廣汽菲亞特克萊斯勒汽車有限公司
12. Key Plastics L.L.C.

A detailed technical interpretation of each of the abovementioned CSRs with TS16949:2009 Quality management systems -- Particular requirements for the application of ISO 9001:2008 for automotive production and relevant service part organizations has been completed, with the correlations of the CSRs with the TS16949:2009 clauses identified as follows.

- Control of records (TS16949:2009 clause no. 4.2.4)
- Process Efficiency (TS16949:2009 clause no. 5.1.1)
- Customer focus (TS16949:2009 clause no. 5.2)
- Quality Management System Planning (TS16949:2009 clause no. 5.4.2)
- Customer representative (TS16949:2009 clause no. 5.5.2.1)
- Competence, training and awareness (TS16949:2009 clause no. 6.2.2)
- Contingency plan (TS16949:2009 clause no. 6.3.2)
- Determination of requirements related to the product (TS16949:2009 clause no. 7.2.1)
- Review of requirements related to the product (TS16949:2009 clause no. 7.2.2)
- Customer communication (TS16949:2009 clause no. 7.2.3)
- Design and development (TS16949:2009 clause no. 7.3)
- Purchasing process (TS16949:2009 clause no. 7.4.1)
- Verification of purchased product (TS16949:2009 clause no. 7.4.3)
- Control of Production and service provision (TS16949:2009 clause no. 7.5.1)
- Identification and traceability (TS16949:2009 clause no. 7.5.3)
- Customer property (TS16949:2009 clause no. 7.5.4)
- Measurement Systems Analysis (TS16949:2009 clause no. 7.6.1)
- Laboratory requirements (TS16949:2009 clause no. 7.6.3)
- Identification of statistical tools (TS16949:2009 clause no. 8.1.1)
- Customer satisfaction (TS16949:2009 clause no. 8.2.1)
- Internal Audit (TS16949:2009 clause no. 8.2.2)
- Monitoring and measurement of process (TS16949:2009 clause no. 8.2.3)
- Monitoring and measurement of product (TS16949:2009 clause no. 8.2.4)
- Control of nonconforming product (TS16949:2009 clause no. 8.3)

d) HKPC and DNV consultants conducted gap assessment analysis to below 8 pilot companies, the corresponding CSRs they selected as following:

1. Grandmark Industrial Limited (上汽通用五菱汽車股份有限公司, SGMWL)
2. Ka Shui International Holdings Limited (一汽-大眾汽車有限公司, VW)
3. Ultratech Mold Design & Mfg. Co., Ltd. (海馬汽車集團股份有限公司, HAMA)
4. Vigor Precision Ltd. (Key Plastics L.L.C.)
5. Ecomotor Limited (重慶長安鈴木汽車有限公司, Chang-Suzuki)
6. Metro Bearing & Automotive Limited (美國德爾福公司, Delphi)
7. Kenta Enterprise Limited (美國偉世通公司, Visteon)
8. Morning Sun (Hong Kong) Limited (廣汽菲亞特克萊斯勒汽車有限公司, FIAT)

e) 1,500 hardcopies of “The Comprehensive Mainland Automotive CSRs Implementation Guidebook” were compiled on Oct 2017. The content comprises the summary of 12 CSRs, correlation and analysis between TS 16969 clauses and the clauses of 12 CSRs in order to help Hong Kong autoparts manufacturers fully understand those 12 CSRs. The electronic version was uploaded to the official homepage of FASHK for public access.

- f) The 1-day public dissemination workshop was organised on 30 Nov 2018 in Classroom 107 under HKPC premises. 35 participants attended the workshop. The topics of the workshop covered, 1)The management system that auto parts manufacturer need to comply with; 2) Integration of Customer Specific Requirement and management system of pilot auto parts supplier; 3) The correlation and analysis between TS 16969 clauses and the clauses of 12 CSRs.
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- g) Advertisements to promote Hong Kong auto parts industry were posted on 現代汽車工業 magazine and 現代金屬加工 magazine as well as on two annual directories of automotive industry, 智博會 (展覽會會刊) and 台灣工具機總覽 (年刊). The advertisements on two magazines were started to post on the abovementioned magazines from November 2016 while advertisements on two annual directories were posted in September 2017 and October 2017 respectively.
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- h) The e-promotion campaign were launched under 2 search engines, 現代汽車工業網 (<http://www.autogongye.com/>) and 国际机床网 (<http://www.mycimt.com/>). Promotional campaign was start from November 2016 in both search engines.
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- i) 3,000 copies of industry directories were printed. 2,000 sets of promotional kits including a bilingual (Putonghua and English) video of HK auto parts industry, folder and environmental bag were produced and distributed in 6 exhibitions. 2000 copies of pamphlets for distributing at exhibition ground to drive visitors to attend product promotion seminars of HK auto parts manufacturers at the Pavilion were produced and distributed in exhibitions.
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- j) All project deliverables, including the e-copy of the guidebook was uploaded to the association website.
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Milestones (in chronological order)

(# Please indicate if the milestone is completed (C), deferred (D) or not achieved (N). If it is deferred, please indicate the revised completion date. For those milestones which are deferred or not achieved, please also provide the reasons under item 2.4.)

<u>Milestone</u> (as set out in the approved project proposal appended to the project agreement)	<u>Original target completion date</u>	<u>Revised completion date</u> (if applicable)	<u>Status</u> (C/D/N) #
- To line up with HKAPIA Board to form a group of working committee and start to recruit Hong Kong auto parts manufacturers (members and non-members) to participate in the exhibitions and business networking cum study missions.	30/06/17		C
- To identify and liaise with the potential Mainland auto parts exhibitions organizers.			
- To identify and define a list of potential automobile manufacturers for the business networking cum study missions.			
- To set up the theme of “Quality Hong Kong Auto parts” for the Hong Kong Auto Parts Pavilion.			
- To obtain and interpret the customer-specific requirements (CSR) from leading Mainland automobile and OEM manufacturers.			

<ul style="list-style-type: none"> - To perform gap assessment based on CSRs and provide technical advice. - To line up with Mainland automobile manufacturers and collaborate with other supporting associations to recruit Hong Kong enterprises to participate in the business study missions and matching visits. - To study the latest Mainland automotive standard and interpret the requirements to enter automobile manufacturers' supply chain. 	31/05/17		C
<p>(b)</p> <ul style="list-style-type: none"> - To set up the "Hong Kong Auto Parts Pavilion" at 6 major Mainland auto parts exhibitions. - To develop a set of promotional kit which includes Hong Kong Auto parts directory, leaflet design and collect auto parts samples from participating companies. - To identify and invite speakers to arrange symposium/seminars on "Hong Kong Auto Parts manufacturing" at each exhibition. - To kick off the advertisement promotion on industrial magazines and online search engines. - To conduct survey for collecting visitors comments and feedback on the Hong Kong Auto Parts show and conduct interview with participating companies for sharing their experiences and comments on customers' feedback during the exhibitions and business networking study tour. 	30/06/17	31/10/2017	C
<p>(c)</p> <ul style="list-style-type: none"> - To design the layout and compile the content of the guidebook. - To analyze the survey findings and interview results, summarize automotive industry requirements, automobile manufacturers' requirement for dissemination and publish the guidebook. 	31/07/17	30/11/2017	C
<p>(d)</p>			

Future Plan for Promoting the Project Deliverables (Nil if not applicable)

Nil.
