

A 30-Year Journey

To Become the World's Most Competitive Special Steel Group

Interview with Mr. Wang Wenjin,
Executive Vice President at CITIC Pacific Special Steel

CITIC Pacific Special Steel had reached today a total production capacity of 15 million tons and 2 million tons of bearing steel sales a year. The company has become a strategic supplier and partner for all the leading bearing makers, who's bearing steel products are widely used in automotive, wind-power energy, high-speed railway and other premium industrial applications.



中信集团科技创新大会

Mr. Wang Wenjin,
Executive Vice President at
CITIC Pacific Special Steel



Q: Can you tell us more about your history at CITIC, your background and current activities?

I have been working in front-line sales in special steel industry for 31 years. My

first job started in Daye Special Steel, which is now also a steel plant under CITIC Special Steel Group. As the executive vice president, I am still directly responsible for sales. To me, it is a very pleasant experience to be with sales and customers!

In China, I am one of the few special steel professionals who have been working in front line sales consecutively for more than 30 years. After many years of baptism of wind and rain, I am still discovering new knowledge and



opportunities, and deeply in love with the special steel industry and the sales work.

Q: What is the main reason why CITIC grow so fast from 1990s, from a small local steel mill to a global player?

Among many factors, I believe the core key to our steady and rapid growth is “stay true to our founding mission with consistent execution”. Despite from time to time we saw competitors invested less but made more profits in regular steel products, we withstood the “temptation” and continued to unswervingly focus on what we do best - special steel, invest in equipment, technology and talents to meet the needs of world customers. The industry calls CITIC the “united nations” of special steel technology and a melting pot for talents, because top technical and business talents with different backgrounds continue to join our team. Our company founders and core management team have also taken this industry as the direction of our company and their

own personal career development since the very beginning. To be honest, special steel has been integrated so much into our blood, it is impossible for us to deviate.

Q: How did the current pandemic impact the activities at CITIC so far? Which challenges have been faced since the start of the outbreak?

The epidemic has indeed posed significant challenges especially at initial stage, including external logistics. Our strategy is to focus the work that we can control and make them perfect. We keep our production running at 100% in the epidemic, even during the Chinese New Year holidays. Another factor that has made us overcome many difficulties is the full understanding of our social responsibility. With our continuous supply, many downstream enterprises including world key bearing producers can continue supply much needed products to societies. Many customers wrote letters to us to express their sincere appreciations! It is worth to

mention that, in a market of short supply, despite many large companies offered higher prices to buy additional materials, we continued to supply our long-term strategic customers according to contract prices and not sell the materials to others for more profits. But in retrospect, yes, the pandemic was difficult to cope with.

Q: How is the impact of the changing supply chain strategies and increasing raw material prices on the industry?

There are indeed some negative effects, especially for a special steel company like us with customers in different industries across the globe. Supply chain cost factors such as shipping and fiscal policies by some governments to cope with epidemic and economic problems tend to continue increase special steel price in near future. We will adhere to “stay true to our founding mission with consistent execution”, perfect the work to control factors under our control, and serve customers, especially long-term



customers, from a strategic perspective. If we maintain our comparative advantages, we can continue to meet customers' needs and effectively help them cope with current and future challenges and changes.

Q: Do you see the trend of Green Steel a challenge or as an opportunity to your company?

Green steel is a clear advantage for us. When seeing the red crowned cranes, a level-1 national protected bird, and black and white swans in a large number living and raising families on our steel mill campus, visitors were all impressed by the achievement of our environmental protection work. They know such birds can only live with very good air and water quality. In terms of environmental protection and carbon reduction, we have been investing heavily and now have a good accumulation of equipment and technology. At the same time, we are actively planning to make additional investment and development in near future. It is part of our culture to do better than what we say. Some companies may be temporarily ahead in publicity and green steel advertisement. But we believe improving on green is just like improving

on quality, it requires long-term and sustained effort, focus, and disciplined execution, all of which are what CITIC team is good at. I hope we can publish a specific article on green steel on your magazine to let the world hear the green voice of China's special steel industry.

Q: Besides the sheer volumes and competitive price, what are the other competitive advantages and values you can bring to the bearing industry?

It may be that China speed is too fast, there are still people abroad lack a comprehensive understanding of China special steel enterprises' actual capabilities and development level. While the published production capacity data is easier to see on a chart, the internal performance, quality and service levels sometimes are not. In fact, our current equipment, technology, talent pool, as well as ability for future additional investment are now all leading in the world. All these ensure that we can provide the most comprehensive and effective values to global customers and help them win in the fierce competitions in their industries. The world's top bearing companies all have certified and been using our steel for a long time including on most demanding applications is a good proof. Here I would like to welcome worldwide bearing producers and special steel industry professionals to contact and visit us to see and learn our capabilities.

Q: How do you see the future of the steel industry for the coming years ahead?

In future, as mankind's pursuit of a better life gets higher and higher, the demand for critical industries and materials will increase greatly. This is true for both China and the world. For example, people will move more business and social activities, even residence, from land to sea. This trend should result increasing demand of relevant materials including special steel in both volume and performance and offer a significant and long-term growth opportunity for global special steel companies who are able to deliver the values. To summarise, I have full confidence in the future development and growth of special steel!

