

## KUTNAK AUTOMOTIVE WILL NOW HAVE ITS OWN DEVELOPMENT AND DISTRIBUTION IN CHINA

The year 2022 was for many companies a very turbulent one. How KUTNAK AUTOMOTIVE managed to deal with this difficult year and what plans it has for 2023 was discussed with the company's Managing Director, Ing. Hubert Kutňák.

### How would you assess the year 2022, which was marked by the fading Covid pandemic and war in Ukraine?

To tell the truth, we were not so concerned about the problems regarding Covid, because logistics had to work even during Covid closures. Unfortunately, the war in Ukraine has brought with it a surge in prices and uncertainty across all sectors, resulting in approximately 2% lower sales volumes compared to 2021.

### Is the solvency situation different to prior years?

As we export more than 65% to EU countries, we can compare different national specifics. But what all European distributors are pushing for is immediate delivery of goods to stock. As containers are constantly becoming delayed, a greater demand is thus put on inventory.

### Which of the new distribution points do you consider promising?

I have to say that we are getting off to a very good start in the very challenging Polish market, and Croatia and Greece are a surprise. These last two markets are bringing tremendous growth and there is great demand for our products. And a complete rarity for us was our first ever export to Oman.

### How do you evaluate Russian-speaking markets?

There is a strong demand in Russia, but due to problems with payments, we have now reserved that market and are focusing more on Belarus, which is not affected by European sanctions and there are as such no problems with the transfer of payments for delivered products.

### What other international challenges are awaiting you this year?

We definitely want to further develop the Balkan countries and then we see great potential in France, Spain and Portugal. In the long term, we are considering an intermediate warehouse here, as the transport of our products from the Czech Republic takes a disproportionately long time.

### This will entail increased recruitment requirements...

Definitely yes, we are currently running several recruitment campaigns for the Purchasing Officer and Product Manager positions within the Purchasing Department. However, we are not only looking for these people in the Czech Republic, but also in Asia.

### Please go on, this sounds interesting...

This year, we decided to build 2 branches in the Chinese cities of Shenzhen and Shanghai. We want to have our own people on site to oversee the development and subsequent quality of the manufactured products.

### How time consuming is that?

Setting up a company in China is not difficult, but you need a good partner, and the company can be started within 1 year.

### Again, I see that your goals are big.

Yes, we want to serve large European companies directly from Asia and thereby avoid the additional costs of transport and storage in the Czech Republic. We already offer large distributors packaging and labelling in their own design, and now we want to offer them partial as well as full-container shipments directly in DAP (delivery at place) mode. Of course, the European standard of on-site customer service will be a matter of course. We will be happy to again invite you next year for an editorial visit.

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