

**CMA LOGISTICS COMPANY LTD:
THE CHINESE GOVERNMENT HAS A WINNER IN THIS COMPANY**

It is apparent that, within the next decade – or, perhaps, even earlier – the production of motor vehicles in the People's Republic of China (PRC) will exceed that of the production of motor vehicles in the United States of America.

It is even possible that, by the year 2016, the number of PRC-manufactured motor vehicles could exceed the total number of motor vehicles, produced in Japan and the United States combined if the statistics of the past 13 years are to be taken as a guide to the future.

According to 2005 China Automotive Industry Yearbook, in 1991, the number of motor vehicles, produced in the PRC, was about 750,000 units.

As at December 31, 2004, the number of motor vehicles, manufactured in the PRC, was about 5 million units.

That is an increase of about 567 percent in that period of time.

Sales of motor vehicles in the world's most-populous country grew by about 15 percent in 2004, having doubled in 2003.

The PRC has a human population of a little more than 1.30 billion people, and, as the country gravitates more and more toward a market-driven economy, forsaking the Communistic political mandate, which is put the back on burner while the population becomes more affluent and, along with this wealth, becomes more and more acquisitive, so the population, especially in the urban areas, will demand to possess, as a matter of pride and convenience, their own motor vehicles, forsaking the bicycle as the preferred mode of transport in the many sprawling cities.

Ford Motor Company, the second-largest producer of motor vehicles in the United States, is well entrenched in the PRC, today.

Last Monday, Ford announced that Volvo Car Corporation, its subsidiary, would start producing one of its sedans at Chongqing, the southwestern part of the country.

The initial target of Volvo is to manufacture about 10,000 motor cars per year.

The Volvo vehicles will be produced at Ford's 50-50 joint-venture company with the PRC Government: Changan Ford Automobile Corporation Ltd (). (More about this joint venture, later in this analysis)

For the above reasons – and many more, also – the future of CMA Logistics Company Ltd () (Code: 8217, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) seems to be assured.

This is assuming, of course, that politics, greed and/or corruption are all kept at bay in the Company because it must always be remembered that a large chunk of the Issued Share Capital of CMA Logistics is controlled by organs of the PRC State.

The Flotation

CMA Logistics went public on The GEM on February 16, 2006, when it Placed 50 million, 1.00 renminbi

Shares at \$HK2.70 per Share.

At the time of the flotation, Changan Automobile Company (Group) Ltd (()), Chongqing Changan Sanchan Industrial Company Ltd () and The National Council for Social Security Fund, PRC (), all being Initial Management Shareholders, sold 5 million of their Shares, also at the Placing Price of \$HK2.70 each.

The Changan Group of Companies are, in turn ... [CLICK TO ORDER FULL ARTICLE](#)

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