

Zeppelin still flying high after two decades in Ukraine

Iconic German company supplies range of Ukrainian industries with cutting-edge equipment

This year Zeppelin Ukraine celebrated the 20th anniversary of its activities on the domestic market. Since 1996, the Ukrainian branch of this iconic German company has supplied Caterpillar equipment and a range of other machinery to industries across Ukraine. Business Ukraine magazine spoke to Zeppelin Ukraine General Director Heiko Kreisel about the company's experience in one of Europe's most exciting and challenging markets.

Zeppelin recently marked 20 years in Ukraine. What do you regard as the most important landmarks in the company's two decades in the Ukrainian market?

Over the past twenty years, we have become an integral part of this market. Almost every industry works with equipment that we supply. We regularly provide technological solutions to new industries and continue to branch out. This reach means that Ukrainian companies increasingly factor us into their future planning. For example, the mining sector works closely with our Component Rebuild Center that carries out huge volumes of servicing and repairs. We provide help in planning effective workloads and the right utilization of machinery to help mining companies avoid downtime. We participate in all the major Ukrainian road construction tenders. Our machines are present in every significant road project in the country. We were the first com-

pany to supply Ukraine with 500 horsepower crawler tractors. Ukrainian shipbuilding currently uses our Cat engines, while Ukrainian greenhouses, power plants, and factories use our generators.

How has the Ukrainian market evolved over the 20 years of Zeppelin's activity in Ukraine?

When we first



arrived on the market, there was no culture of consumption of high-technology equipment and value-added service. This was particularly challenging for us because the high quality of our products meant relatively high prices. On the other hand, we were able to introduce market participants to new technologies and explain that the equipment would not only pay for itself but would also bring additional revenue and help optimize their business.

Which products have proved Zeppelin's best sellers on the Ukrainian market?

For many years, the Caterpillar and Zeppelin brands were primarily associated with two products - bulldozers and mining dump trucks. Today, other popular products include backhoe loaders, skid steer loaders, wheel tractors and many more.

Thanks to the 2014 Ukraine-EU free trade agreement, many analysts now see manufacturing as a potential growth sector for the Ukrainian economy. Does your recent experience support these expectations?

We have not noticed the rapid construction of new plants or capacities, but many

existing factories have refurbished and undergone modernization according to European standards. For example, the 'Luks' chips factory recently acquired a cogeneration set (engine) that allows them to use potato waste for the production of energy and heat.

How has the challenging business environment of the past 3 years effected Zeppelin's operations in Ukraine?

Naturally, sales have declined slightly during this period. We have responded by switching our attention to servicing, which is one of our core businesses.

What is your assessment of the post-Maidan reform process and the impact it has had on the Ukrainian business climate?

We had high expectations for this period. Not all of these expectations have been met, but there are positive trends and developments. For example, the public procurement sector has become a little less corrupt, and participation in tenders is now more transparent. We continue to wait for major changes, but we are pleased to see small positive developments.



About the interviewee: **Heiko Kreisel** is the General Director of Zeppelin Ukraine