

## GreenEnergy

# Hopes run high for green auto industry in China

ELECTRIC AND HYBRID-POWER VEHICLES ARE NEW FOCUSES OF THE 12TH FIVE-YEAR PLAN

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**BEIJING** — After years of research and development on clean-energy vehicles, China is finally putting promises into action with its 12th Five-Year Plan (2011-2015).

The nation with the biggest automobile market with 199 million motor vehicles could soon be the top producer of green cars.

One of the main focuses of the new Five-Year Plan are electric and hybrid-power vehicles, the details of which were reported last month. Two major ministries in China in charge of the auto industry's progress are already mapping out industry standards and regulations for new energy vehicles, especially electric vehicles.

Wang Fuchang, a deputy director for the Ministry of Industry and Information Technology, said the nation plans to increase marketshare of pure-electric and plug-in electric vehicles. It will also make automakers and parts producers more competitive in the green auto industry over the next decade.

"We are happy to see that China now has a head start in transitioning from research and development to industrialization in the electric vehicle sector," Minister of Science and Technology Wan Gang said.

The next 5 to 10 years are crucial for the industrialization of the global new energy vehicle sector, Wan said, adding that China should "seize the opportunity to lead the world".

Liu Zhiqian, an official with the Ministry of Environmental Protection, said about one-fifth of China's cities are suffering from serious air pollution, with vehicle emissions the major cause.

Industrial analysts in China, most of whom have loose ties with the government, said that developing green-energy vehicles is the best way for



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Energy-efficient cars, including this automobile produced by Beijing-based IAT (China) Technology Co Ltd, may be the future of China's auto industry.

China to reduce its oil imports and tackle environmental problems.

Even before the recent Five-Year Plan, China had taken steps to encourage the green auto industry. Early in 2008, the central government launched a national campaign aimed at getting 1,000 electric vehicles in at least 10 cities each year to encourage people to buy electric cars.

In June, the Ministry of Finance kicked off an incentive program in five pilot cities — Shanghai, Shenzhen, Hangzhou, Changchun and Hefei — that gave subsidies of 60,000 yuan (\$9,010) for a pure electric vehicle and 50,000 yuan for a plug-in hybrid vehicle.

"The Chinese government's great efforts in encouraging

electric vehicles provides us confidence to bring our latest technology and products in the electric vehicle sector into China," said Kevin Wale, president and managing director of GM China Group. "GM has viewed China as a key market to promote the widespread use of electric vehicles."

The US automaker will put its electric Chevrolet Volt on the market in China in the second half of next year. China will be the first market for the model outside the US, where the Volt will be launched at the end of this year.

Chen Qingquan, chairman of the World Electric Vehicle Association, said that China will be the leader in electric vehicles in the next 5 to 10 years, predicting that hybrid

and pure electric auto sales will account for more than 15 percent of the Chinese auto market by 2020.

Japanese automaker Nissan also plans to bring its electric vehicle Leaf to China by providing test models for the Wuhan government.

A Nissan executive said that once local demand reaches 50,000 units, the company plans to start production of the Leaf in China.

Grappling with high emissions challenges and maintaining sustainable development is also essential for Chinese automakers to stay competitive, said industry analysts.

The State-owned Assets Supervision and Administration Commission of the State Council (SASAC) in August

guided 16 of the largest State-owned companies, including the country's top three oil companies, the top two power grid operators, and two major automakers to form an alliance to accelerate the development of electric vehicles in China.

The alliance, which hopes to invest 100 billion yuan on electric vehicles by 2012, aims to speed up research and development in vehicles, fuel cells and charging systems, as well as setting some unified standards, former SASAC minister Li Rongrong said.

China has already made some progress in the efficiency of parts and fuel cells, and should take further steps to build internationally competitive electric car brands, Li said.