

# China Transport Policy Briefing

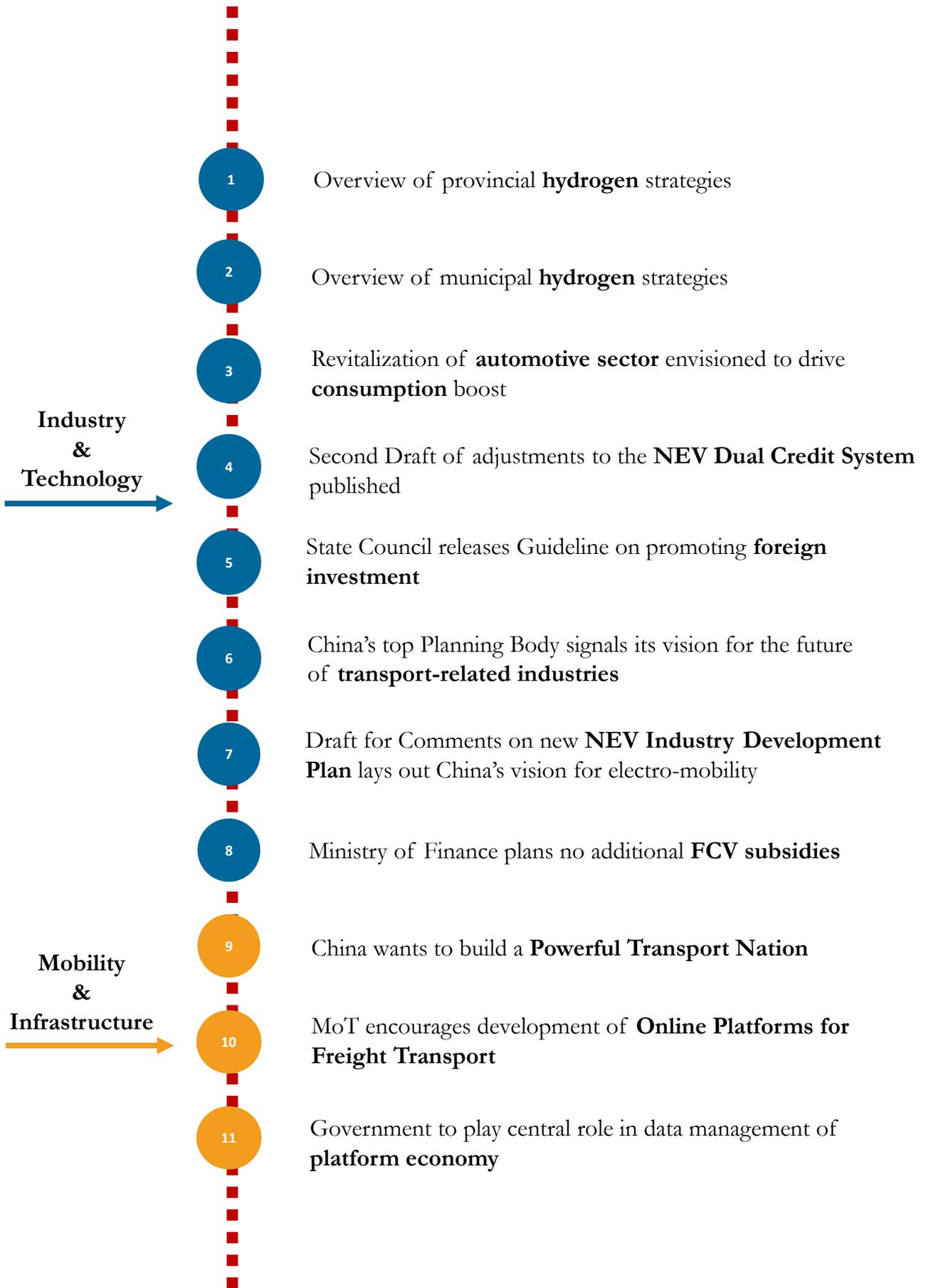
The Periodical Update by GIZ in China



## Highlights of this issue

- ➔ **Overview of local hydrogen strategies**
- ➔ **Draft for Comments on new NEV Industry Development Plan lays out China's vision for electro-mobility**
- ➔ **China wants to build a Powerful Transport Nation**

# Inside this issue



# Inside this issue

Climate  
&  
Environment



12

China plans to develop **world-class ports**

13

MIIT shows **caution** regarding timetable for **phase-out** of **ICE vehicles**

14

China's **delivery industry** bets on **NEVs** and **reductions in packaging**

15

**NEV fire accidents** must be reported within 12 hours

16

MIIT Guideline gives details on **NEV battery recollection stations**

# Abbreviations

<b>BEV</b>	Battery Electric Vehicle	纯电动汽车
<b>CCCPC</b>	Central Committee of the Chinese Communist Party	中共中央
<b>CEV</b>	Clean Energy Vehicle	清洁能源汽车
<b>FCV</b>	Fuel Cell Vehicle	燃料电池车
<b>FAO</b>	Fully Automated Operation	全自动操作
<b>ICV</b>	Intelligent Connected Vehicle	智能网联汽车
<b>ICE</b>	Internal Combustion Engine	内燃机
<b>IoT</b>	Internet of Things	物联网
<b>LFCV</b>	Low Fuel Consumption Vehicles	低油耗车辆
<b>LNG</b>	Liquefied Natural Gas	液化天然气
<b>MaaS</b>	Mobility-as-a-Service	移动性服务
<b>MIIT</b>	Ministry of Industry and Information Technology	工业和信息化部
<b>MoF</b>	Ministry of Finance	财政部
<b>MoT</b>	Ministry of Transport	交通运输部
<b>NDRC</b>	National Development and Reform Commission	国家发展和改革委员会

# Abbreviations

<b>NEV</b>	New Energy Vehicle	新能源汽车
<b>NPC</b>	National Party Committee	国家党委员会
<b>OEM</b>	Original Equipment Manufacturer	整车生产企业
<b>UAV</b>	Unmanned Aerial Vehicle	无人机
<b>UNDP</b>	United Nations Development Programme	联合国开发计划署
<b>SAMR</b>	State Administration for Market Regulation	国家市场监督管理总局
<b>STA</b>	State Taxation Administration	国家市场监督管理总局

# Industry & Technology

## 1. Overview of provincial hydrogen strategies



**In 2019**, 20 local Chinese governments have introduced policies which either directly promote the hydrogen energy industry and/or fuel-cell vehicles (FCVs), or which include a substantial contribution to the local roll-out of related industries and/or infrastructure. This comes after Shanghai was the first Chinese city to publish a FCV development plan in 2017, and after the cities of Wuhan, Suzhou, Rugao, Foshan and Zhangjiagang published plans on how to develop their hydrogen energy industries in 2018.

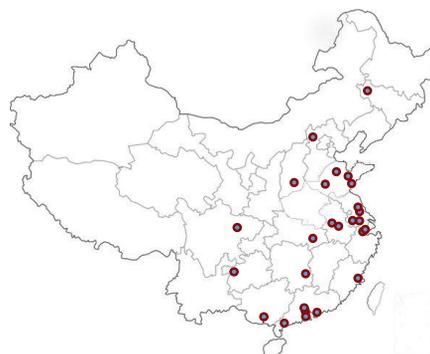
Most notably, the Provinces of Shandong, Hebei, Jiangsu and Zhejiang published their development plans for the hydrogen and fuel-cell industry for the next five to 15 years. They set specific goals, including promoting fuel-cell demonstration projects, expanding hydrogen refueling infrastructure, providing subsidies for hydrogen refueling stations and fostering research to develop the technology in this field.

Hebei announced to build at least 100 hydrogen refueling stations, and to raise the number of FCVs to more than 50,000 vehicles, including no less than 30,000 passenger cars, by 2030. By 2025, Jiangsu aims to operate 1000 hydrogen fuel cell buses in its five large cities on 100 demonstration bus lines and build 20 hydrogen refueling stations. Zhejiang targets a total production capacity of 1,000 hydrogen fuel cells, more than 10,000 hydrogen fuel engines, and a total output value of the hydrogen energy industry in excess of 10 billion RMB (1.3 million EUR). At the same time, the province will promote the application of hydrogen fuel cells in the fields of public transportation, logistics, shipping, energy storage, and distributed cogeneration. The focus will be on the development of hydrogen fuel cell buses, logistics vehicles, minivans, and other heavy vehicles with a range of more than 500 kilometers, and the development of fuel-cell heavy-duty trucks with more than 100kW capacity.

Province	Policy	Number of Hydrogen stations	Number of Fuel cell Vehicles	Output Value of the Hydrogen energy Industry
Shandong Province	<a href="#">Medium- and Long-Term Development Plan for the Hydrogen Energy Industry in Shandong Province (2019-2035)</a>	until 2025: 200 stations	until 2025: 50,000 vehicles	until 2025: RMB 100 bn (EUR 12.89 bn)
Hebei Province	<a href="#">Hebei Province to promote the development of hydrogen energy industry implementation opinion (2019-2030)</a>	until 2030: 100 stations	until 2030: 50,000 vehicles	until 2030: RMB 200 bn (EUR 25.78 bn)
Jiangsu Province	<a href="#">Action plan for the development of the FCV industry (2019-2025)</a>	until 2025: 50 stations	until 2025: 10,000 vehicles	
Zhejiang Province	Guiding Opinions on Accelerating the Development of the Hydrogen Energy Industry in Zhejiang Province (2019-2025)	Until 2022: 30 stations	Until 2022: 10,000 vehicles	Until 2022: RMB 10 bn (EUR 1.29 bn)

# Industry & Technology

## 2. Overview of municipal hydrogen strategies



**To date,** the most notable examples of hydrogen development plans on a municipal level include plans issued by the cities of Chengdu, Wuhan and Rugao. Chengdu announced the construction of a hydrogen transport network, as well as the plan to engage 100 enterprises in hydrogen energy-related business to establish a strong manufacturing base for related equipment. Wuhan has set itself the goal to become a world-class hydrogen city by 2025, aiming to develop 3-5 internationally leading companies in the field of hydrogen energy and a network of 30-100 hydrogen refueling stations. The city is planning to build China's first hydrogen fuel-cell industry park, focusing on research and production of hydrogen fuel-cells. Furthermore, Rugao, home to the United Nations Development Programme (UNDP) project [Hydrogen Economy Project in China](#), announced its plans to achieve a proportion of at least 50 percent of hydrogen FCVs in public transportation and logistics.

Further information on China's local hydrogen policies by China Energy Storage Application Association (Chinese)



City	Policy	Number of Hydrogen stations	Number of FCVs	Output Value of the Hydrogen energy Industry
Wuhan (Hubei)	Plan for Development of Hydrogen Energy Industry (2018-2025)	until 2025: 30-100 stations	until 2025: 2,000 - 3,000 vehicles	until 2025: RMB 100 bn (EUR 12.89 bn)
Foshan (Guangdong)	<a href="#">Foshan Hydrogen Energy Industry Development Plan (2018-2030)</a>	until 2025: 57 stations		until 2025: RMB 100 bn (EUR 12.89 bn)
Suzhou (Jiangsu)	<a href="#">Suzhou Hydrogen Industry Development Guidance (2018-2025)</a>	until 2025: 40 stations	until 2025: 10,000 vehicles	until 2025: RMB 50 bn (EUR 6.44 bn)
Chengdu (Sichuan)	<a href="#">Chengdu Hydrogen Energy Industry Development Plan (2019-2023)</a>	until 2023: 30 stations	until 2023: 2,000 vehicles	until 2023: RMB 50 bn (EUR 6.44 bn)
Rugao (Jiangsu)	<a href="#">Implementation Opinions on supporting the Development of the Hydrogen Energy Industry (2018-2035)</a>	until 2020: 3-5 stations		Until 2030: RMB 100 bn (EUR 12.89 bn)
Zhangjiakou (Hebei)	<a href="#">Hydrogen Energy Zhangjiakou Construction Plan (2019-2035)</a>	until 2020: 21 stations	until 2020: 4,500 vehicles	until 2035: RMB 170 bn (EUR 21.92 bn)

## 3. Revitalization of automotive sector envisioned to drive consumption boost

国务院办公厅关于加快发展流通促进商业消费的意见



Read the Policy  
(Chinese)

**On 27 August 2019**, the Chinese State Council published 20 measures on how to boost domestic consumption. The automotive sector features prominently in the document. It outlines that current restrictions on car purchases will be reduced, market access for petroleum products will be eased and financial institutions are encouraged to offer more credit products for the purchase of NEVs. The purchase of NEVs will be actively supported by local governments and restrictions on the trade of low-emission second-hand vehicles within provinces/cities shall be removed.

Several local governments have translated these strategies into plans on provincial level. Hainan Province has announced it will [tackle restrictions on car purchases, simplifying second-hand trade and promoting the sales of NEVs](#), while Shandong Province has [repealed its restrictions on the resale of used cars, and announced tax exemptions and subsidies for vehicle purchases](#).



## 4. Second Draft of adjustments to the NEV Dual Credit System published

关于修改《乘用车企业平均燃料消耗量与新能源汽车积分并行管理办法》的决定  
(征求意见稿)

**On 11 September 2019**, the Ministry of Industry and Information Technology (MIIT) has released a second Draft on adjustments of the dual credits system. The dual credits system is used by the Chinese government to reward or penalize carmakers based on the share of NEVs and the average fuel consumption of their produced fleets. In a first draft, published on July 2019 (see [Policy Briefing 2019, 05](#)), MIIT introduced changes which will require increased efforts by carmakers to meet the quota. In the new draft, the factor of low fuel consumption vehicles (LFCV) in determining the necessary NEV points has been raised from 0.2 to 0.5. This means that the required NEV credits calculated by LFCV will be increased. Another significant change is that NEV points are now allowed to be transferred between subsidiaries; even if the parent corporation is not headquartered in China.



Read the Policy  
(Chinese)



## 5. State Council releases Guideline on promoting foreign investment

国务院关于进一步做好利用外资工作的意见



**On 7 November 2019,** the Chinese State Council released a Guideline on promoting foreign investments. The document states it aims to create a transparent and open policy framework to stabilize and attract foreign investment, especially in innovative areas, such as NEVs.

The document announces that the areas in which foreign investment is prohibited shall be reduced. Any restrictions not mentioned in the Negative Lists (1,2) (see [Policy Briefing 2019, 05](#)) shall be removed thoroughly. The Guideline also emphasizes the need to ease the application process of visa and work permits for foreign professionals and to improve the protection system for intellectual property of foreign countries in China. Furthermore, foreign companies are encouraged to take part in the development of industry standards and norms together with Chinese companies.

For the automotive industry, the Guideline emphasizes an equal treatment of foreign original equipment manufacturers (OEMs) and Chinese OEMs in accessing the Chinese domestic NEV market. As laid out in the second draft for comments on the adjustment of the NEV credit system ([Article #4](#)), foreign OEMs shall be allowed to transfer and share NEV credits under the dual credit system between their subsidiaries, which was originally only allowed for Chinese OEMs.



Read the Policy  
(Chinese)

## 6. China's top Planning Body signals its vision for the future of transport-related industries

产业结构调整指导目录



Read the Policy  
(Chinese)



## The National Development and Reform Commission

(NDRC) has issued a new version of the 2011 Industry Catalogue, a document used by the central government for signaling focal development areas for different industries. The catalogue labels industries as “encouraged”, “restricted” or “eliminated”. Compared to the 2011 version, intermodal transport, Mobility-as-a-Service (MaaS), digitalization, automation, Big Data, electrification and environmental protection have gained higher prominence in the transport-related entries labelled as “encouraged”.

The catalogue highly encourages industries supporting the development of intermodal transport and MaaS, for example those involved in the development of related infrastructure and facilities. At the same time, it encourages energy efficiency measures in urban rail transit equipment through energy recovery, development of energy storage systems and fully automated operation systems (FAO).

One section is dedicated to NEV key parts, which encourages technological improvements, such as an energy density of battery power cells of 300 Wh/kg instead of 180 Wh/kg. Furthermore, the catalogue broadens its focus on intelligent vehicles by encouraging the development of chips and sensors used in cars for automated and connected driving. Additionally, the development of intelligent shipping and drones (unmanned aerial vehicles, UAVs) is added. Overall, the newly released version of the catalogue also pays more attention to Big Data as well as to the Internet of Things (IoT), which is considered the foundation for the digital infrastructure of the logistics industry.

## 7. Draft for new NEV Industry Development Plan lays out China's vision for electro-mobility

《新能源汽车产业发展规划（2021-2035年）》（征求意见稿）

**In December 2019**, MIIT issued a Draft for Comments of a NEV Industry Development Plan (2021-2035). According to the Draft, the Plan targets a 25% share of NEVs and a 30% share of conditional autonomous vehicles of all automotive sales in China by 2025. At the same time, it aims at a drop in average fuel consumption of new plug-in hybrid electric vehicles (PHEVs) (with range extender) to 2.0 L/100km and a drop in the average electricity consumption of NEV passenger vehicles to 12.0 kWh/100km. The Plan further focuses on a vertical technological chain of innovation between BEVs, PHEVs (with range extender), FCVs; improvements of the dual credit system ([Article #4](#)) and establishing a mechanism in alignment with carbon trading; integrated development of urban infrastructure related to NEVs; and new charging and refueling technologies (smart charging, high power charging, battery swapping, hydrogen refueling systems).



Read the Policy  
(Chinese)



## 8. Ministry of Finance plans no additional FCV subsidies after 2020

财政部对十三届全国人大二次会议第7153号建议的答复

**The Ministry of Finance** (MoF) rejected the proposal from the Chairman of SAIC, one of China's large NEV manufacturers, and delegate to China's National People's Congress (NPC), that special FCV subsidies should be issued after general NEV subsidies phase-out in 2020. In its reply, MoF states that although the long-term implementation of the general NEV subsidy policy might make it difficult for some enterprises to cope with global market competition, the subsidy withdrawal will be completed as planned. Any measures supporting FCVs need to be in line with general NEV policies. Thus, non-taxation policies such as the exemption of NEVs from restrictive measures used to control the number of cars in cities should be strengthened, and are expected to benefit the FCV industry.



[Read the Policy  
\(Chinese\)](#)

## 9. China wants to build a Powerful Transport Nation

中共中央 国务院印发《交通强国建设纲要》



Read the Policy  
(Chinese)

**On 19 September 2019,** the Outline for Building China's Strength in Transport was issued by the Central Committee of the Communist Party of China (CCCPC) and the State Council. The document describes how China wants to develop a global leading and quality-oriented transport sector.

From 2020-2035, the focus will be on creating a “major transport country”. An advanced and globally competitive transport system shall be established, in which transportation fully meets the demands of the people and serves the country's overall modernization. From 2036-2050, it shall then evolve into an internationally highly competitive transport system. The goal is to establish a leading transport system by 2050, which meets the highest global standards regarding scale, technological innovation, digitalization, safety, governance capacity as well as its consideration of environmental concerns.

The Outline encourages further expansion and modernization of transport-related infrastructure in China, while increasingly emphasizing safety, accessibility, convenience and environmental- and climate-friendly development. To achieve this, NEVs will be promoted, resources shall be used efficiently, planning and construction of infrastructure shall become more integrated, and new policies regarding air quality and emission control shall be launched. Moreover, cycling, walking, car-sharing and the concept of MaaS will be increasingly promoted. China wants to fully exploit the potential of technological innovation, Big Data and Artificial Intelligence through innovative and sustainable passenger, freight and logistics transport solutions such as smart traffic and parking management systems, cargo drones, and magnetic levitation trains.



# Mobility & Infrastructure

## 10. MoT encourages development of Online Platforms for Freight Transport

交通运输部 国家税务总局关于印发《网络平台道路货物运输经营管理暂行办法》的通知

**On 6 September 2019, the** Ministry of Transport (MoT) and the State Taxation Administration (STA) jointly issued a Guideline for the operation and management of online platforms which connect logistics providers and customers. The aim is to achieve cost reductions and increases in operational efficiency in the logistic industry. The guideline aims to advance the development of the freight industry by promoting the development of new technologies, such as Big Data, cloud computing, satellite positioning and artificial intelligence. It also encourages the implementation of new vehicle standards in the industry, such as for NEVs, FCVs and modular road trains.

Prior to the release of the Guideline, only those who participated in MoT's pilot project "Car-free freight & logistics service provider" were entitled to develop and run such platforms. Starting in 2020, this will be opened to all providers which operate in accordance with the policy. Providers are obliged to comply with the same levels of safety and service standards as traditional logistic companies.



Read the Policy  
(Chinese)



# Mobility & Infrastructure

## 11. Government to play central role in data management of platform economy

国务院办公厅关于促进平台经济规范健康发展的指导意见

**On 1 August 2019,** the State Council has issued a Guideline for the promotion of the platform economy. In the transport sector, it encourages the development of the new mobility industry, (i.e. car-/bike-sharing, ride-hailing, platforms enabling seamless multimodal trips), and aims to foster the creation of standards for related products and services. At the same time, data and information management is highlighted as a crucial measure for the success of the platform economy. The document states that the government should play the central role in verifying operators, protecting data security, coordinating between local, regional and central governments and sectors, as well as enabling smooth data sharing between the government and the platforms. NDRC and the State Administration for Market Regulation (SAMR) shall be responsible for making the social credit system accessible for the new industry, and feeding data back into the system. Starting with mechanisms such as identity authentication, two-way evaluation, and credit management in the fields of ride-hailing, bike-sharing, and car-renting, MoT and other relevant departments shall be responsible for regulating the behavior of the platform operators and their users.



Read the Policy  
(Chinese)

## 12. China plans to develop world-class ports

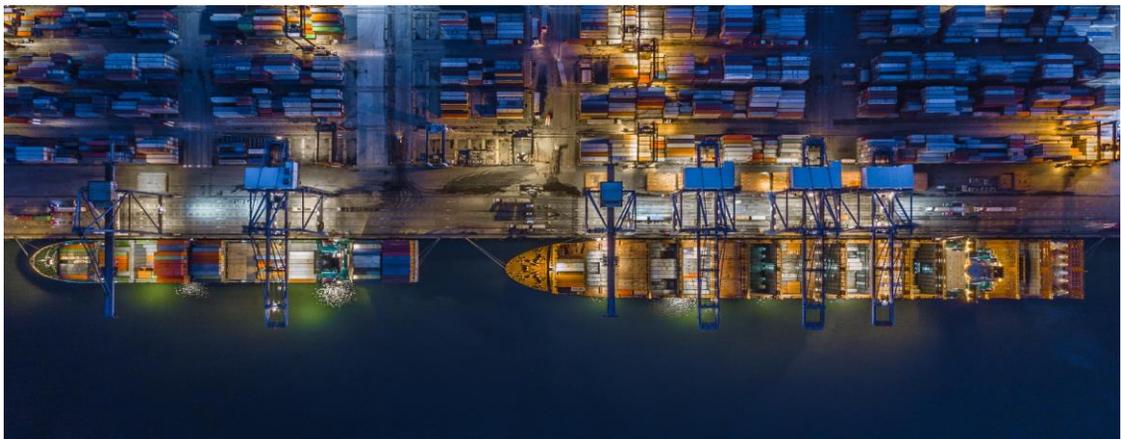
九部门关于建设世界一流港口的指导意见



Read the Policy  
(Chinese)

**On 6 November 2019,** NDRC, MoT, MoF and six further Chinese ministries jointly issued a Guideline on developing world-class ports in China. The document emphasizes that ports are comprehensive transportation hubs and play a strategic and important role for economic and social development. To achieve breakthroughs in the field of green ports, digitalization and safety, the scale and level of specialization of major ports will be increased significantly until 2025. By 2035, China's largest ports (Shanghai, Tianjin, Zhoushan and Qingdao) should reach world-class level, leading the green and intelligent development of global ports. To achieve these goals, the Guideline demands improvements to the scope of service capabilities of ports, acceleration in the construction of smart and green ports, and in the modernisation of port management.

Moreover, in terms of environmental and climate protection, the Guideline demands improvements to liquefied natural gas (LNG) filling infrastructure, shore power standards and supply, and air pollutant emission control areas. While clean energy utilization should be promoted through increasing the utilization rate of shore power, clean fuels should be used for operating machinery and vehicles in the port. In the future, the integrated development of the port, shipping, industry and inland cities should also be a focus. Regarding the management of the port, a port development indicator system has been established, which is constantly improved to assess the development status on their journey to become a world-class port .



## 13. MIIT shows caution regarding timetable for phase-out of ICE vehicles

对十三届全国人大二次会议第7936号建议的答复

**On 20 August 2019**, MIIT made no clear commitment to a timetable for the phase-out of internal combustion engine (ICE) vehicles. This message came across in response to a proposal during the NPC in March 2019. MIIT plans to first research the differences in cost, energy and emissions savings, and demand for ICE vehicles and NEVs, and to then develop locally appropriate policies for different localities (such as replacing public buses and taxis) and pilot projects. Based on the results of these projects, MIIT plans to then further decide on the development of a timetable to phase-out of ICE vehicles.

However, MIIT in its response says it will push forward to develop the "NEV Industry Development Plan (2021-2035)" ([Article #7](#)), which will play a major role in developing China's NEV industry.



Read the Policy  
(Chinese)



## 14. China's delivery industry bets on NEVs and reductions in packaging materials

交通运输部等十八部门关于认真落实习近平总书记重要指示推动邮政业高质量发展的实施意见



Read the Policy  
(Chinese)

**The** recently published Guidelines on the high-quality development of the Chinese delivery industry focus on shifting ICE vehicles to NEVs and CEVs, as well as other green modes of transport. The Guidelines aim for an 80% share of NEVs and CEVs in logistics vehicles delivering to key urban areas by the end of 2020. At the same time, green reengineering in the supply chain is encouraged. This includes the aim to reduce the amount of secondary packaging, adhesive tape and non-approved packaging materials in delivery packaging, as well as the establishment of recycling stations for packaging waste. The Guidelines also promotes the launching of intermodal, green urban delivery pilot projects.



## 15. NEV fire accidents must be reported within 12 hours

市场监管总局质量发展局关于进一步规范新能源汽车事故报告的补充通知



Read the Policy  
(Chinese)

**On 9 October 2019,** the Bureau of Quality Supervision and Development of SAMR officially issued the Supplementary Notice on further regulating NEV accident reports.

The Notice requires that in case of a NEV fire accident, the operator who has produced, sold or imported the vehicle onto the Chinese market should report it within 12 hours after the accident has taken place (if it causes casualties or major social impact, it should be within 6 hours after the accident) to the Quality Development Bureau of SAMR.



## 16. MIIT Guideline gives details on NEV battery recollection stations

新能源汽车动力蓄电池回收服务网点建设和运营指南



Read the Policy  
(Chinese)

**MIIT** on 7 November 2019 published a detailed Guideline on the establishment of recollection stations for NEV batteries, giving further details on the implementation of preliminary rules published February 2018. According to the Guideline, NEV manufacturers need to establish at least one small station to recollect their NEV batteries in each administrative area (at least on city level) with a capacity to temporarily store five tonnes of waste batteries. If a manufacturer has sold more than 8000 NEVs in one administrative area, the manufacturer needs to establish a larger recollection station for up to 30 tonnes of batteries in that area. NEV manufacturers may jointly establish such recollection stations with companies that reuse NEV waste batteries.

In these stations, batteries shall be collected, sorted, stored and packaged, but not taken apart. After processing this way, the waste batteries are handed over for recycling or reuse. Throughout the process, the recollection stations need to maintain information on the processed batteries and transmit it to the recipient companies. Existing service stations need to comply with the new rules within six months.

Read more on  
Electrive (English)



# Imprint

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