
2020, Issue 3

China Transport Policy Briefing

The Periodical Update by GIZ in China



Highlights of this issue

- ➔ NEV quota requirements continue to gradually rise, some leeway for producers of vehicles with lower fuel consumption
- ➔ Action Plan for Green Mobility aims at high share of electric and public transport
- ➔ Reforms in the freight sector seek to speed up economic recovery

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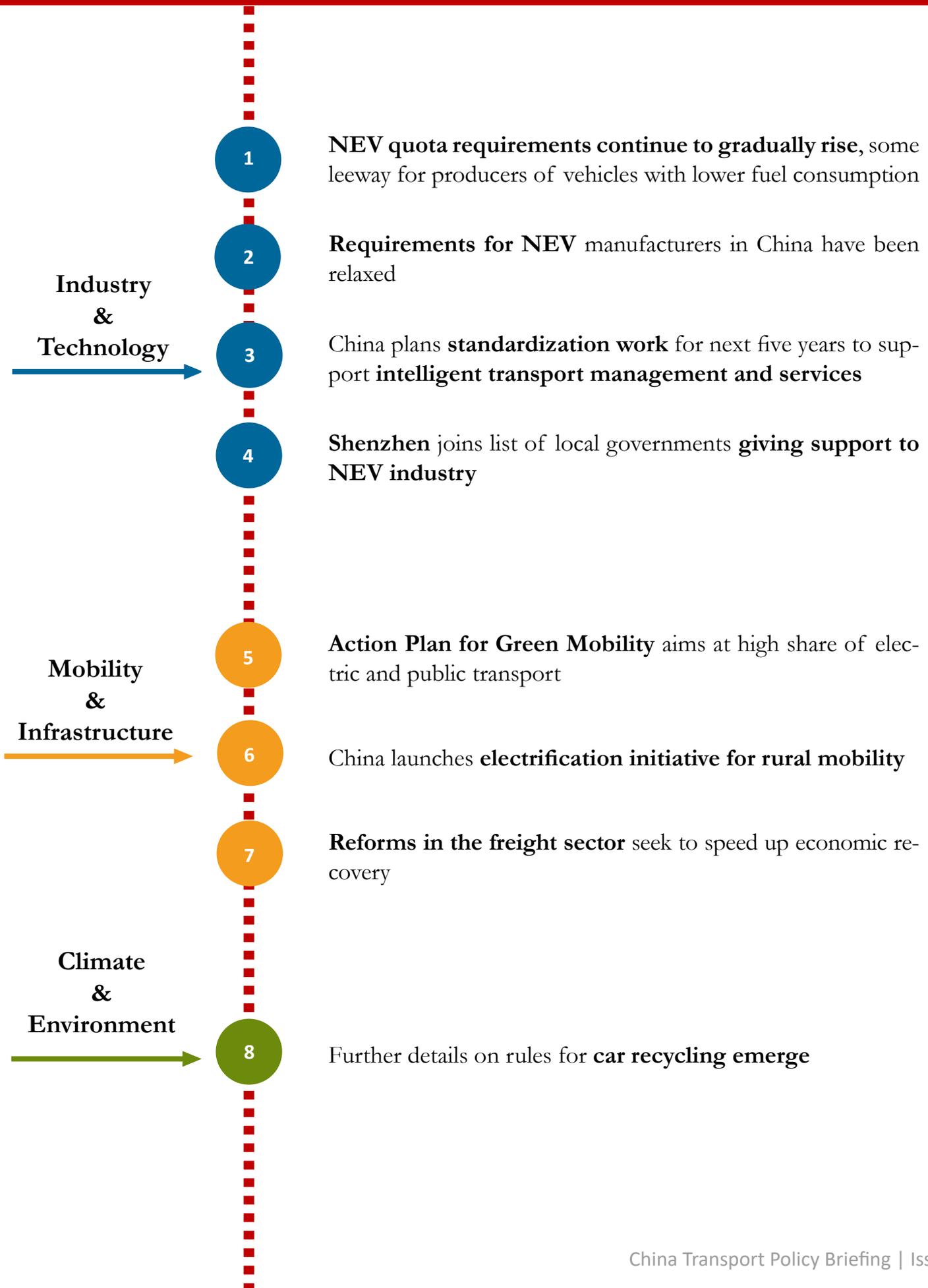
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for the Environment, Nature Conserv.
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Inside this issue



Abbreviations

CAAM	China Association of Automotive Manufacturers	中国汽车工业协会
ICEVs	Internal Combustion Engine Vehicle	内燃机车
LFCV	Low Fuel Consumption Vehicles	低油耗车辆
MIIT	Ministry of Industry and Information Technology	工业和信息化部
MoARA	Ministry of Agriculture and Rural Affairs	农业农村部
MoFCom	Ministry of Commerce	商务部
MoT	Ministry of Transport	交通运输部
MPS	Ministry of Public Security	公安部
NDRC	National Development and Reform Commission	国家发展和改革委员会
NEV	New Energy Vehicle	新能源汽车
NSA	National Standardization Administration	国家标准化管理委员会
OEM	Original Equipment Manufacturers	整车生产企业

Industry & Technology

1. NEV quota requirements continue to gradually rise, some leeway for producers of vehicles with lower fuel consumption

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

The Ministry of Industry and Information Technology (MIIT) in June 2020

published an update of the Parallel Administration on Corporate Average Fuel Consumption and New Energy Vehicle (NEV) credits (referred to as the Dual Credit System). The new Dual Credit System will replace the current system as of 1 January 2021 and will be effective until end of 2023.

The updated version mainly reflects the content that had been previously published in drafts for comments in July 2019 (see [Policy Briefing 5, 2019](#)), such as the continuous gradual increase of the NEV quota each year by 2%, reaching 14% in 2021, 16% in 2022 and 18% in 2023. The NEV quota refers to credit points which each vehicle manufacturer needs to collect by producing battery electric and plug-in hybrid vehicles in ratio to its production of internal combustion engine vehicles (ICEVs).

Furthermore, this most recent update allows manufacturers to lower their individually required NEV points by producing or importing ICEVs with low fuel consumption, so-called LFCVs, which eases the pressure to produce high numbers of battery electric vehicles by increasing numbers of, for example, full hybrids.



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Industry & Technology

2. Requirements for NEV manufacturers in China have been relaxed

工业和信息化部关于修改《新能源汽车生产企业及产品准入管理规定》的决定

On 30 July 2020, MIIT released the revision of the Regulations on Access Administration for NEV production and NEV products. Compared to the previous provision effective since 2017, the new regulation no longer requires NEV manufacturers to have their own research and development capabilities. Furthermore, the time period manufacturers are allowed to go without production has been extended from 12 to 24 months. This is expected to ease pressure on NEV manufacturers.



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3. China plans standardization work for next five years to support intelligent transport management and services

交通运输部办公厅关于征求《国家车联网产业标准体系建设指南（智能交通相关）（征求意见稿）》意见的函



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Since 2016, MITT together with the Ministry of Transport (MoT), the Ministry of Public Security (MPS), and the National Standardization Administration (NSA) have been jointly developing a National Standard System for the “Internet of Vehicles” Industry. The guideline on the standard system is to consist of different parts, from information and communication to vehicle technologies and related infrastructure. Most parts have been completed. MoT at the end of July published a draft for comments on standardization work to support intelligent transport management and services. It proposes the establishment of 66 standards (out of this, a first 20 standards by the end of 2022, and further 20 standards by the end of 2025, the remaining standards are to follow without a specified timeline).

The draft calls for service standards, technical standards and product standards. These include standards for vehicle-road interaction (communication between traffic participants and roadside infrastructure), the necessary intelligent roadside systems as well as in-vehicle and portable devices.



Industry & Technology

4. Shenzhen joins list of local governments giving support to NEV industry

深圳市应对新冠肺炎疫情影响促进新能源汽车推广应用若干措施



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After numerous local governments had already announced stimulus measures to support their struggling automotive industries in the first half of 2020 (see Policy Briefing [1](#) and [2](#), 2020), the local government of NEV heavyweight Shenzhen (Guangdong Province) on 11 June 2020 also released stimulus measures to rack up demand for NEVs.

Until the end of 2020, the city of Shenzhen will offer purchase subsidies on battery electric and plug-in hybrid passenger cars of a maximum of RMB 20,000 (ca. EUR 2,500) for all new purchases substituting conventional combustion vehicles. These subsidies will be given to all individual buyers on top of existing incentives offered by the central government, but they are only available for NEVs which are sold by companies registered in Shenzhen. In addition, the local government will offer NEV drivers discounts on parking fees.



Mobility & Infrastructure

5. Action Plan for Green Mobility aims at high share of electric and public transport

交通运输部 国家发展改革委关于印发
《绿色出行创建行动方案》 的通知

In late July, MoT and China's top planning body, the National Development and Reform Commission (NDRC), published an Action Plan for Green Mobility. The Action Plan sets the objective to achieve a proportion of over 70% of "green" mobility in more than 60% of selected initiative cities by 2022. Green mobility is commonly understood as encompassing environmental and climate friendly mobility modes which help to reduce the use of ICEVs. Regions and cities in China shall accelerate the expansion of road networks, non-motorized transportation, barrier-free facilities, and charging infrastructure.

The Action Plan sets specific targets for electro-mobility: In key regions of sustainable mobility planning, such as the Jing-Jin-Ji Region around Beijing and the Yangtze River Delta Area around Shanghai, electric buses shall account for no less than 60% of all public buses; in other regions, this proportion should be no less than 50%. Furthermore, the proportion of electric vehicles out of newly procured buses and trams shall be no less than 80%, while buses with high emissions shall be eliminated in accordance with local regulations.

The Action Plan puts a special focus on public transport in areas with high population densities, with targets of more than 50% public transport out of motorised transit in mega cities, more than 40% in large cities, and more than 30% in small and medium-sized cities. At the same time, service quality receives a special emphasis in a bid to make public transport a viable alternative, with a call for a steady increase of air-conditioned and barrier-free buses and an average speed of public transport of no less than 15 km/h. In terms of digitalization, the plan promotes shared and digital mobility services.



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

Mobility & Infrastructure

6. China launches electrification initiative for rural mobility

三部门关于开展新能源汽车下乡活动的通知

On 15 July 2020, MIIT, the Ministry of Agriculture and Rural Affairs (MoARA), and the Ministry of Commerce (MofCom) jointly issued a Notice on promoting the of sales of NEVs in rural areas under the theme of „Green, Smart, and Safe – Stepping into the New Era: In Support of the Rural Revitalization Strategy“. The China Association of Automotive Manufacturers (CAAM, the Chinese pendant to the German VDA) will conduct the initiative from July to December 2020.

The initiative encourages NEV manufacturers to offer NEVs in rural areas for lower prices. The manufacturers involved in this measure need to offer NEVs at prices as low as between RMB 30,000 (EUR 3,750) and RMB 100,000 (EUR 12,500), which means they are most likely to be OEMs which offer mid- to low-end models. SAIC-GM-Wuling (SGMW), BYD Auto, Dongfeng Motor Corporation and BAIC BJEV have been selected amongst others to take part in this measure.

Meanwhile, local governments will continue to issue relevant subsidies and further preferential policies to support this initiative. In the first half of 2020, provincial governments such as Zhejiang (March 2020: [„Suggestions on Promoting Automobile Consumption in Zhejiang Province“](#) (2020-2022)), Sichuan (April 2020: [„Implementation Plan for Supporting Special Activities of Automobiles in Rural Areas in Sichuan Province in 2020“](#)) and Guangdong (April 2020: [„Measures on Promoting Rural Consumption in Guangdong Province“](#)) had already issued measures to encourage NEVs demand in rural areas and promote rural revitalization.



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Mobility & Infrastructure

7. Reforms in the freight sector seek to speed up economic recovery

国务院办公厅转发国家发展改革委交通运输部关于进一步降低物流成本实施意见的通知



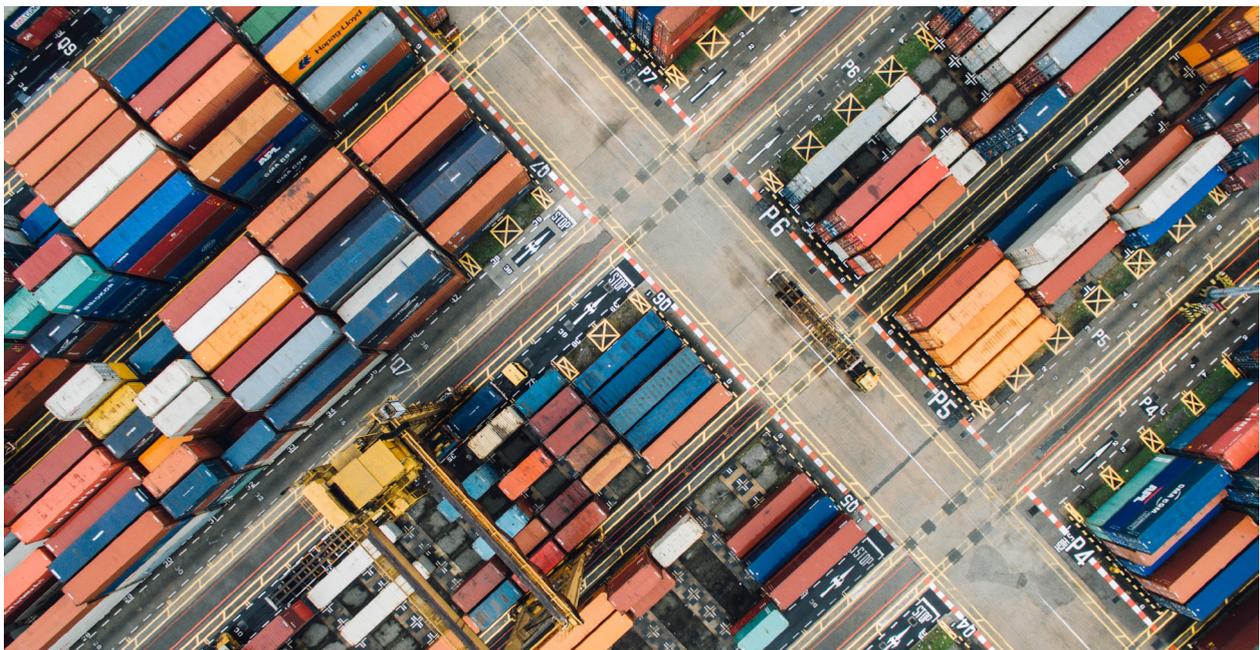
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In late May, NDRC and MoT issued an Opinion on how to further reduce costs of logistics operations and how to make efficiency improvements in freight transport, in order to aid in restoring order in production processes and to speed up the economic recovery from COVID-19.

Operational costs shall be reduced by digitalizing certification and qualification procedures and offering right of way and parking priorities to urban freight vehicles. Furthermore, expenses shall be further lowered by guaranteeing land supply for logistic facilities, halving land use tax for commodity storage facilities and road toll, as well as by reducing GPS service costs.

Efficiency improvements target improved information sharing mechanisms among different modal operators (railway, ports, hubs) through a standardized data interface, and smooth links between logistic facilities, for example through standards for railway sidings.

Moreover, an Action Plan for the Construction of a National Logistic Hub Network (2021-2025) will be developed to promote the construction of infrastructure and to develop a next generation traffic control network on the national level.



8. Further details on rules for car recycling emerge

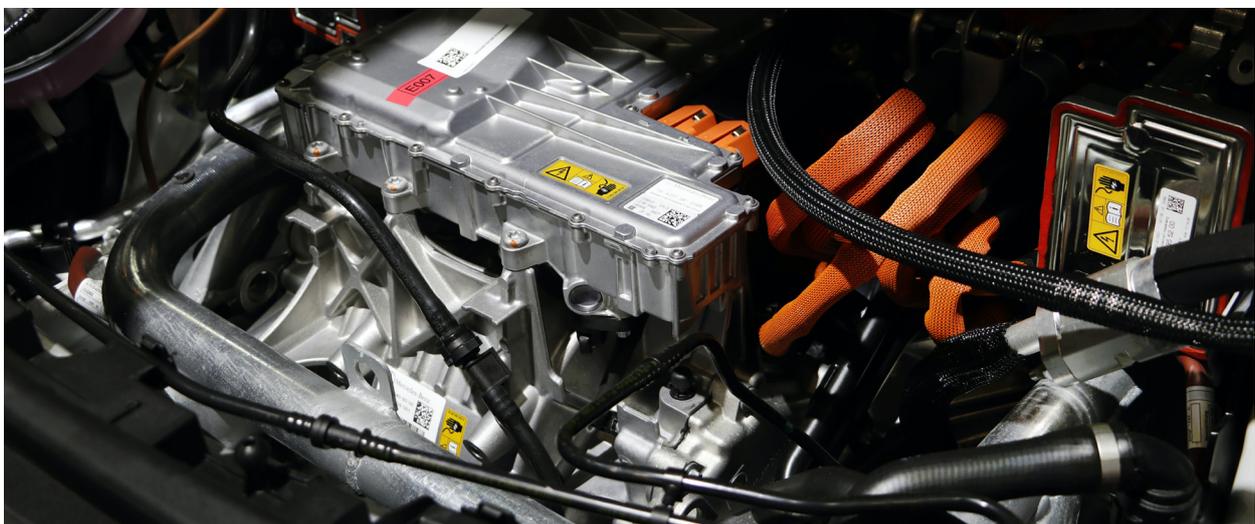
商务部令2020年第2号 报废机动车回收管理办法实施细则



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In line with requirements of the [Administrative Measures on Recycling of Scrapped Vehicles](#) issued in April 2019 (see [Policy Briefing 5, 2019](#)), MofCom with six other ministries in July 2020 issued detailed implementation rules for the recycling of scrapped vehicles. The implementation rules cover topics such as enterprise accreditation, recycling and reutilization standards, supervision and administration as well as related legal responsibilities.

The Administrative Measures in 2019 had for the first time allowed key car components (engines, steering gearbox, gearbox, front and rear axles and vehicle frame) to be reused and abolished the local cap on the number of recycling stations. The implementation rules spell out further details for ensuring traceability of waste traction batteries with the use of the national supervision platform of battery tracing. The waste batteries are to be sold to recovery stations established by OEMs or directly to qualified enterprises for cascade utilization or recycling. The rules will take effect from 1 September 2020.



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