
2020, Issue 2

China Transport Policy Briefing

The Periodical Update by GIZ in China



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- ➔ **China's 2020 priority working areas in the field of transport**
- ➔ **MIIT publishes key working areas in the field of NEV and ICV standardization**
- ➔ **CHINA VI pushed to 2021: Announcement on adjustment of the emission standard for light duty vehicles**

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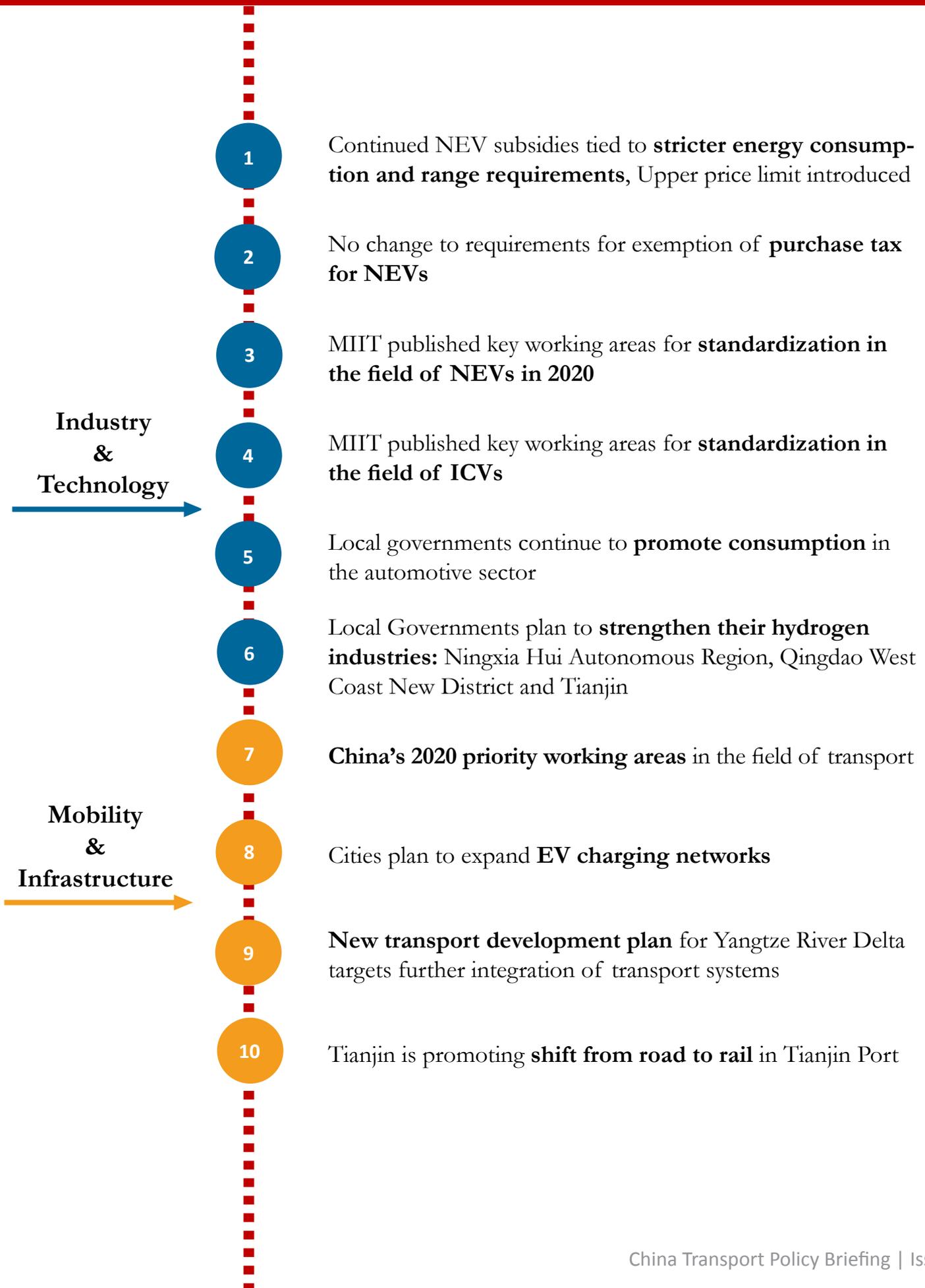
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Abbreviations

BEV / EV	(Battery) Electric Vehicle	(纯)电动汽车
CHINA VI	National Emission Standard VI	国6排放标准
FCEV	Fuel Cell Energy Vehicle	燃料电池车
ICVs	Intelligent and Connected Vehicles	智能网联汽车
ICEVs	Internal Combustion Engine Vehicle	内燃机车
ISO	International Organization for Standardization	国际标准化组织
LNG	Liquefied Natural Gas	液化天然气
OEM	Original Equipment Manufacturers	整车生产企业
MEE	Ministry of Ecology and Environment	生态环境部
MIIT	Ministry of Industry and Information Technology	工业和信息化部
MoF	Ministry of Finance	财政部

Abbreviations

MoST	Ministry of Science and Technology	科学技术部
MoT	Ministry of Transport	交通运输部
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
NPC	National People Congress	全國人民代表大會
PHEVs	Plug-in hybrid electric vehicles	插电式混合动力汽车
STA	State Taxation Administration	国家税务总局
TEU	Twenty-foot Equivalent Unit	20呎标准货柜
VAT	Value-added tax	增值税
WP.29	UNECE World Forum for Harmonization of Vehicle Regulations	世界车辆法规协调论坛

Industry & Technology

1. Continued NEV subsidies tied to stricter energy consumption and range requirements, Upper price limit introduced

关于完善新能源汽车推广应用财政补贴政策的通知

After China's State Council [in March announced that subsidies for locally produced New Energy Vehicles \(NEVs\) will be extended until the end of 2022](#), on 23 April 2020, the Ministry of Finance (MoF), the Ministry of Industry and Information Technology (MIIT), the Ministry of Science and Technology (MoST) and the National Development and Reform Commission (NDRC) jointly released the detailed policy amendment.

The subsidies will be gradually reduced for each year from 2020 to 2022, by 10%, 20%, and 30% compared to each previous year, respectively. Subsidies for passenger transport, taxis, sanitation, logistics, post, airports, as well as governmental vehicles will be reduced only starting from 2021.

Some of the technical eligibility criteria have been adjusted. While the requirement on energy density of traction batteries will not be modified, the requirement on energy consumption of vehicles will be tightened and the required driving range has been increased from 250km (2019) to 300km (2020) for passenger NEVs. Another important modification in this measure is that passenger NEVs are not eligible for the subsidies, if their price before subsidization was higher than RMB 300,000 (as of June 2020 this applies only to Tesla and Nio). However, battery swapping models will be excepted from this restriction (Nio), leaving only Tesla to be affected, if their prices are not lowered below the threshold.



Read the Policy
(Chinese)

Industry & Technology

2. No change to requirements for exemption of purchase tax for NEVs

关于新能源汽车免征车辆购置税有关政策的公告

After the State Council in March [announced that the NEV exemption from purchase tax \(10% of vehicle price\) will be extended until the end 2022](#), MoF jointly with the State Taxation Administration (STA) and MIIT unveiled further details for the exemption of purchase tax for battery electric vehicles (BEV), plug-in hybrid electric vehicles (PHEV, incl. extended range) and fuel-cell vehicles (FCEV).

As before, vehicles which meet the technical requirements and are included in the specific catalogues for exemption of purchase tax released by MIIT and STA, will be entitled to the exemption. This continues to apply for locally produced and imported models.



Read the Policy
(Chinese)



3. MIIT published key working areas for standardization in the field of NEVs in 2020

2020年新能源汽车标准化工作要点



Read the Policy
(Chinese)

On 16 April 2020, MIIT, issued the “2020 NEV Standardization Key Working Areas”. According to the document, the standardization work in 2020 will focus on implementing the [NEV Industry Development Plan \(2021-2035\)](#), on optimizing the standard system, accelerating the development of key standards, and deepening international exchanges and cooperation.

In 2020, MIIT plans to lay out the key objectives for the development of NEV standard systems for the upcoming 5 years, in preparation of the 14th Five Year Plan (2021-2026), China’s top planning vehicle, set by the country’s top leaders to guide the social, political, and economic development ([see here](#) for topics of sustainable transport in the 13th Five Year Plan, 2016-2020). MIIT will then update and release the third version of the Standardization Work Roadmap for EVs for a detailed plan how to achieve the targets.

MIIT has announced it plans to accelerate the development of key standards, including completing the work on standards for testing rules for the evaluation of safety features and energy consumption/range for EVs, setting standards for hydrogen refueling components for FCEVs, starting testing and verification on high voltage charging, setting standards for interoperability requirements and testing of inductive charging. Research on the following standards shall be kicked-off: electrical properties, life duration and power performance testing methods of batteries; charging communication protocols for hydrogen refueling; post-accident safety requirements; testing methods for energy consumption, range and power performance in cold weather; component standards for engines, air compressors and on-board hydrogen systems. As part of this work, MIIT plans to review or draft the following: a guide on cascade utilization design, a standard for the construction of recycling collection points for batteries ([see Issue 1, 2020](#)), a draft on charging safety requirements and a revision of standards for the compatibility of charging equipment.

MIIT wants to deepen international cooperation by actively participating in the coordination of global technical regulations, the formulation of international standards and further international cooperation. The document mentions cooperation with the European Union (EU) and Germany (amongst few others) and multilateral cooperation mechanisms to strengthen international communication and coordination and deepen standard cooperation in the area of NEVs.

4. MIIT published key working areas for standardization in the field of ICVs

2020年智能网联汽车标准化工作要点



Read the Policy
(Chinese)

On 16 April 2020, MIIT issued the “2020 Intelligent and Connected Vehicles (ICV) Standardization Key Working Areas”. According to the document, the standardization work in 2020 will focus on coordinating and matching the development of standards with the demands from the industry and technological development. The standardization work in 2020 aims to promote the rapid development and application of ICV technology, to recognize the leading and normative role of standards setting, and to support the transformation and upgrading of China’s automotive industry and development.



MIIT plans to accelerate the development of the ICV standard system by firstly focusing on a standard system for driving assistance and low-level autonomous driving; then preparing an ICV Standardization Roadmap similar to the (NEV Standardization Roadmap) and on this basis then developing the standard system towards supporting high-level autonomous driving. MIIT further plans to establish a closed-loop implementation and evaluation system, which emphasizes continuous evaluation and adjustment.

MIIT plans to accelerate the development of standards in priority areas, such as advanced driving assistance systems, automated driving, information security, function security, connectivity and other technical fields. Another aim is to strengthen industry collaboration and joint research, including piloting the application of ICV technologies, such as unmanned logistics, and in specific scenarios in specific areas, such as in ports.

Lastly, MIIT wants to deepen the international exchange and cooperation on international standards and regulations, by deepening the exchange with international organizations (such as the United Nations (UN) WP.29 and the International Organisation for Standardization, ISO), standardization institutes of major car producing countries, internationally leading car and car components manufacturers, as well as by leveraging the ICV Foreign Experts Advisory Group. MIIT also wants to strengthen international exchanges and cooperation based on the framework of inter-governmental dialogue mechanisms in the field of standardization and cooperation systems in the automotive sector, naming the EU, Germany, France, Japan and countries along the “Belt and Road” initiative.

5. Local governments continue to promote consumption in the automotive sector

After the first quarter of 2020 already saw a long list of local policies promoting car sales (see [Issue 1, 2020](#)), in April and May, the provincial and municipal governments of China continued to closely follow the national policy of promoting consumption in the automotive sector and issued corresponding measures. The measures continue to include reducing restrictions on number plates and implementing local subsidies for car purchases, but also subsidies on charging costs.

Several regions use the opportunity to promote NEVs: [Hainan Province](#) will award each NEV purchase with RMB 10,000 (EUR 1,300) as a financial incentive for Hainan-registered dealerships and Hainan license plate holders. [Wuhan](#) grants a subsidy of RMB 10,000 (EUR 1,300) for each NEV; [Shanghai](#) grants RMB 5,000 (EUR 650) to subsidize individual consumer's charging costs; [Tianjin](#) offers EV charging coupons at the value of RMB 2,000 (EUR 300) for newly purchased NEVs, with a maximum of 30,000 vehicles in total. [Hefei](#) will give a reward of RMB 3,000 (EUR 400) per vehicle to NEV operating companies with a fleet of more than 100 vehicles with a range of 10,000km; and a RMB 2,000 (EUR 300) charging cost subsidy to individual consumers for newly purchased and already held NEVs.



In terms of ceasing restrictions on number plates, Hainan Province issued a policy to adjust and make use of the overdue quota. From May to July 2020, based on 10,000 fixed quota per month, there will be 30,000 additional number plates allocated for lottery every month; Shanghai will increase the quota of non-commercial passenger cars by 40,000 in 2020; Tianjin also issued corresponding policies to increase the quota of passenger cars by 35,000 in 2020.

[Read more on the next page](#)



Industry & Technology

At the same time, Wuhan and Shanghai also took this opportunity to give financial subsidies to internal combustion engine vehicles (ICEVs) to stimulate car consumption. For the purchase of cars produced, sold and licensed in Wuhan (Dongfeng, Dongfeng-Peugeot-Citroen, Geely, GM), the local government will give a subsidy of 3% of the selling price (up to RMB 5,000, EUR 650) of each car; Shanghai will give a financial subsidy of RMB 4,000 (EUR 500) for each ICEV compliant with CHINA VI (comparable to Euro 6).

Region	Stimulus Measures (April and May 2020)	Duration
Hainan Province	<ol style="list-style-type: none"> 1. RMB 10,000 (EUR 1,300) subsidy for purchasing NEV 2. based on 10,000 fixed quota per month, there will be 30,000 additional number plates allocate for lottery every month 	30.04.2020 – 23.12.2020
Shanghai	<ol style="list-style-type: none"> 1. RMB 5,000 (EUR 650) subsidy for purchasing NEV 2. RMB 4,000 (EUR 500) subsidy for each ICEV compliant with CHINA VI 	29.04.2020 – 31.12.2020
Tianjin	<ol style="list-style-type: none"> 1. EV charging coupon at the value of RMB 2,000 (EUR 300) for purchasing NEV 2. The quota of 35,000 passenger vehicles will be increased 	01.06.2020 – 31.12.2020
Wuhan	<ol style="list-style-type: none"> 1. RMB 10,000 (EUR 1300) subsidy for purchasing NEV 2. Subsidy of 3% of the selling price (up to RMB 5,000, EUR 650) for each ICEV 	14.05.2020 – 31.12.2020
Hefei	<ol style="list-style-type: none"> 1. Reward of RMB 3,000 (EUR 400) per vehicle to NEV operating companies 2. RMB 2,000 (EUR 300) charging cost subsidies to individual consumers for new and existing NEVs as long as they are not second-hand, registered in Hefei and have not claimed any subsidy before 	09.05.2020 – 09.05.2022

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6. Local Governments plan to strengthen their hydrogen industries: Ningxia Hui Autonomous Region, Qingdao West Coast New District and Tianjin



On 6 May 2020, [Ningxia Hui Autonomous Region announced](#) it plans to build one to two hydrogen refueling stations with a daily hydrogenation capacity of 500 kg and above as well as a Hydrogen Energy Industry Demonstration Park on the basis of a hydrogen energy industry cluster. The Province will support its capital, Yinchuan City, in opening one to two demonstration bus lines, which will operate hydrogen fuel cell buses, and will gradually expand to demonstration operations of inter-city hydrogen fuel cell passenger vehicles in the Yinchuan metropolitan area. The province will give out one-time grants to a key laboratory on hydrogen energy, an engineering technology research center, and an enterprise technology center (RMB 1 million, EUR 120,000), as well as to newly approved **national** engineering centers and enterprise technology centers (RMB 2 million). The region will also facilitate favourable framework conditions for enterprises in the hydrogen energy industry in terms of project approval, tax reduction, land supply, and demonstration operation subsidies.

[Read more on the next page](#)



Industry & Technology

On 28 April 2020, the Qingdao West Coast New District Urban Management Bureau [announced construction subsidies for hydrogen refueling stations](#) in 2020 and 2021, ranging from RMB 2 to 9 million (EUR 200,000 to 1.1 million), depending on the daily hydrogenation capacity and type of station (above and below 500kg for stationary, above 350kg for skid-mounted stations), as well as on whether it is a new build or retrofitting. The subsidies are planned to gradually decrease over the period of two years.

On May 18, Tianjin Port Bonded Area Management Committee issued the [„Tianjin Port Bonded Area Hydrogen Energy Industry Development Action Plan \(2020-2022\)“](#), which promotes the demonstration pilot application of hydrogen in forklifts, logistics vehicles, and commuter vehicles and aims to form a competitive hydrogen energy industry cluster by 2022. It aims at one mega hydrogen refueling station and six normal hydrogen refueling stations, no less than 800 hydrogen fuel cell vehicles (including forklifts, logistics vehicles, busses, etc.), and an annual output value of the hydrogen energy industry chain of RMB 12 billion (EUR 1.4 billion). The Tianjin Hydrogen Energy Industry Demonstration Park will become a first-class hydrogen energy industry park in China.

Mobility & Infrastructure

7. China's 2020 priority working areas in the field of transport

政府工作报告



Read the Policy
(Chinese)



Read the Report in
English

The following priority areas in the transportation field are listed in the Report on the Work of the Government delivered at the 13th National People's Congress of the PRC on 22 May 2020:

- Prioritization of the development of NEVs and corresponding charging facilities, as part of the “New Infrastructure” development scheme, which also includes 5G and information technology infrastructure and is seen as a national priority to boost the economy during the slump caused by COVID-19.
- Expansion of effective investments for key transportation projects, NEV charging facilities, and railway development. The national development capital is going to increase by RMB 100 billion (EUR 127 million).
- Exemption of taxes and fees: 1) exempt all highway tolls national wide; 2) VAT exemption for public transportation services; 3) reduction of the levies for the Civil Aviation Development Fund and Port Construction Fee.

Just weeks before the release of the government work report, Mr. Cai Ronghua, Deputy Director General of the Industry Development department of NDRC, [at a press conference](#) pointed out the specific goals for charging infrastructure: RMB 10 billion (EUR 1.25 billion), so a tenth of the infrastructure budget set in the Work Report for 2020, will be invested to build up 200,000 public charging piles, 400,000 private charging points as well as 48,000 public charging stations.

Mobility & Infrastructure

8. Cities plan to expand EV charging networks



In response to the emphasis on NEV charging infrastructure in the Report on the Work of the Government ([see Article #7](#)), the municipal government of [Sanya City](#), located in the NEV pilot province Hainan Province, announced its plans to allocate RMB 100 million (EUR 12.5 million) every year to support the construction of NEV charging infrastructure. The policy will be implemented from 25 June this year and will be valid until 24 June 2023.

Additionally, [Kunming City](#), Yunnan Province, has also announced it plans to construct a charging infrastructure system corresponding to the ownership of electric vehicles and will establish an initial fast charging network in the expressway service area until the end of 2020.



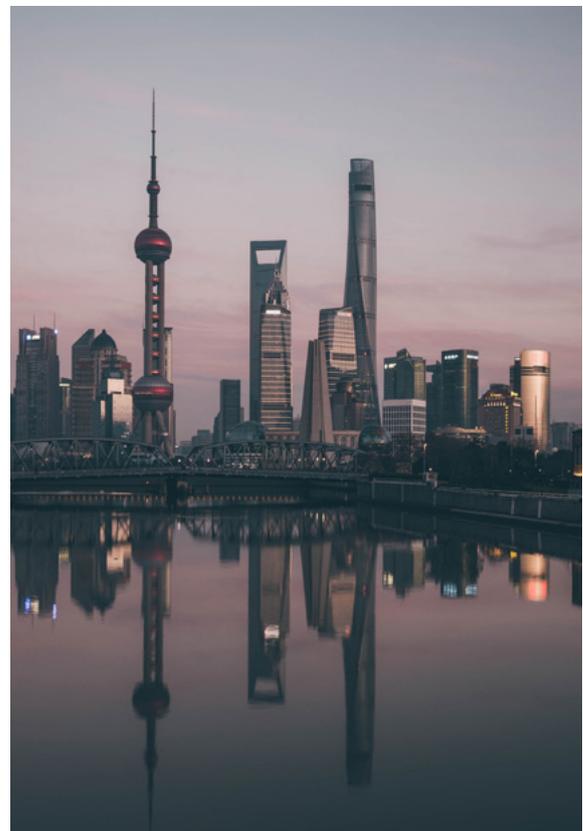
Mobility & Infrastructure

9. New transport development plan for Yangtze River Delta targets further integration of transport systems

国家发展改革委 交通运输部关于印发《长江三角洲地区交通运输更高质量一体化发展规划》的通知 发改基础〔2020〕529号

A new transport development plan for the Yangtze River Delta, an area the size of Germany, has been released on 2 April 2020. It targets further integration of transport infrastructure, passenger transport services and freight transport services, as well as a push for low-carbon development. In terms of infrastructure, the urban, inter-city and inter-province transport network, and airport and port clusters will be further developed. In terms of passenger transport, hub functions and urban-rural passenger transport will be improved. In the field of freight transport, inter-modal transport, online logistics platforms, green urban delivery pilots and integrated ticketing will be promoted. In terms of low carbon development, road-to-rail and road-to-waterway, construction of LNG refilling stations, and the expansion of NEV fleets will be promoted.

The Plan comes with an environmental impact assessment, which concludes that the implementation of the Plan will lead to consumption of land and water resources, and the generation of exhaust gas, noise and solid waste, which will negatively impact the environment. Mitigation measures are indicated.



Read the Policy
(Chinese)



Mobility & Infrastructure

10. Tianjin is promoting modal shift in Tianjin Port

天津市人民政府办公厅关于印发天津市推动天津港加快“公转铁”、“散改集”和海铁联运发展政策措施的通知



In May 2020, the Tianjin Municipal government has published a notice on shifting cargo transport from road to rail in Tianjin Port. The following targets have been set up:

By the end of 2020, bulk cargo shall be mainly transported by rail and waterway in Tianjin Port. The ratio of railway transport for iron ore will reach more than 65%. Over 80% of large enterprises which carry over 1.5 million tons of bulk cargo a year and newly built logistics parks shall build access to special railway lines. For large enterprises and new logistics parks with special railway lines, railway transport of bulk goods shall account for over 80%. The rail-water combined freight volume shall reach 800,000 TEU.

In order to achieve the targets above, Tianjin issued incentive measures for enterprises that meet the environmental requirements and promote modal shift, such as less oversight, lower frequency of inspections and more financial support from the central and local government.



Read the Policy
(Chinese)



Climate & Environment

11. CHINA VI pushed to 2021: Announcement on adjustment of the emission standard for light duty vehicles

关于调整轻型汽车国六排放标准实施有关要求的公告

The Chinese emission standard CHINA VI (similar to Euro 6) for light-duty vehicles was to be implemented in two phases with successively stricter requirements: [CHINA VIa starting from 1 July 2020](#) and [CHINA VIb starting from 1 July 2023 \(CHINA VI b\)](#).

The outbreak of COVID-19 caused severe losses to the Chinese auto industry and supply chain in early 2020, putting intense pressure on car manufactures to clear their stock of models non-compliant with CHINA VI. Therefore, NDRC announced in April 2020 to postpone the implementation of the new and stricter emission standard for light duty vehicles. On 13 May 2020, the Ministry of Ecology and Environment (MEE) released the concrete requirement of the adjustment: CHINA VIa for light-duty vehicles will enter into force on 1 January 2021, six months later than the expected date (1 July 2020). In line with the requirements, light duty vehicles manufactured and imported before 1 July 2020 may be registered and sold in regions where the CHINA VI has not yet been implemented. Local governments which have not yet implemented CHINA VI are not allowed to prematurely implement CHINA VI without the consent of the central government.

In addition, the implementation of the stricter emission limit for PN (solid particle number) of 6.0×10^{11} units / km tied to CHINA VI will also be postponed accordingly, to 1 January 2021. The current PN limit in the transition phase towards CHINA VI is 6.0×10^{12} units / km.



Read the Policy
(Chinese)



Read more about CHINA VI
in this external publication
by ICCT (English)

12. New Environmental Law targets battery recycling

中华人民共和国固体废物污染环境防治法

On 29 April 2020, the Standing Committee of the National People's Congress (NPC) approved the Fifth Amendment to the Law on Prevention and Control of Environmental Pollution Caused by Solid Waste. According to the newest amendment, traction batteries manufacturers are obligated to build up battery recycling systems. This term enshrines Extended Producer Responsibility (EPR) for traction batteries in a law for the first time. It holds battery manufacturers responsible, while the [Interim Administrative Measures of Traction Battery Recycling and Re-use](#) (2018) previously targeted original equipment manufacturers (OEMs). What this means for the actual collection and recycling process as well as the emerging stakeholder system is of yet unclear. Further details are expected to be released in the course of MIIT's work on battery recycling guidelines this year ([see Article #3](#)).

Moreover, the law targets the informal recycling industry by requiring all enterprises engaged in collecting, storage, application and disposal of dangerous solid waste to obtain permits by national authorities. Violators will be fined between RMB 1 million and 5 million (EUR 120,000 and 620,000).



Read the Policy
(Chinese)

13. MoT promotes digital delivery notes for the transport of dangerous goods

交通运输部办公厅关于加强危险货物道路运输运单管理工作的通知

On 13 April 2020, the Ministry of Transport (MoT) issued a Notice which aims to strengthen digital delivery notes for dangerous goods transport by road. According to the previously released [Administrative Measures for safety of the Carriage of Dangerous Goods Transport](#), it is mandatory for road carriers to use a delivery note, which contains all relevant information regarding the potential risks of the carried dangerous goods: Basic information of consignor, consignee and carrier; vehicle certificate; tank information; qualification information of the drivers and escort personnel; as well as detailed information on the carried dangerous goods.

As required by the notice, transport authorities in China should establish provincial monitoring systems for digital delivery notes, promote their application, link them with national monitoring systems and strengthen the coordinated supervision of the whole transport process.

Road carriers are encouraged to develop management systems for digital delivery notes, following the requirements of the Regulation on Road Transportation of Dangerous Goods (JT/T 617) and attachments of the notice: [Guideline on Creating and Using Delivery Notes for Dangerous Goods](#), [Technical Specification on Data Interaction of Digital Delivery Notes for Dangerous Goods](#). The digital delivery note management system of individual companies should be linked with the monitoring system of the transport authorities.



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(Chinese)

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