
2020, Issue 1

China Transport Policy Briefing

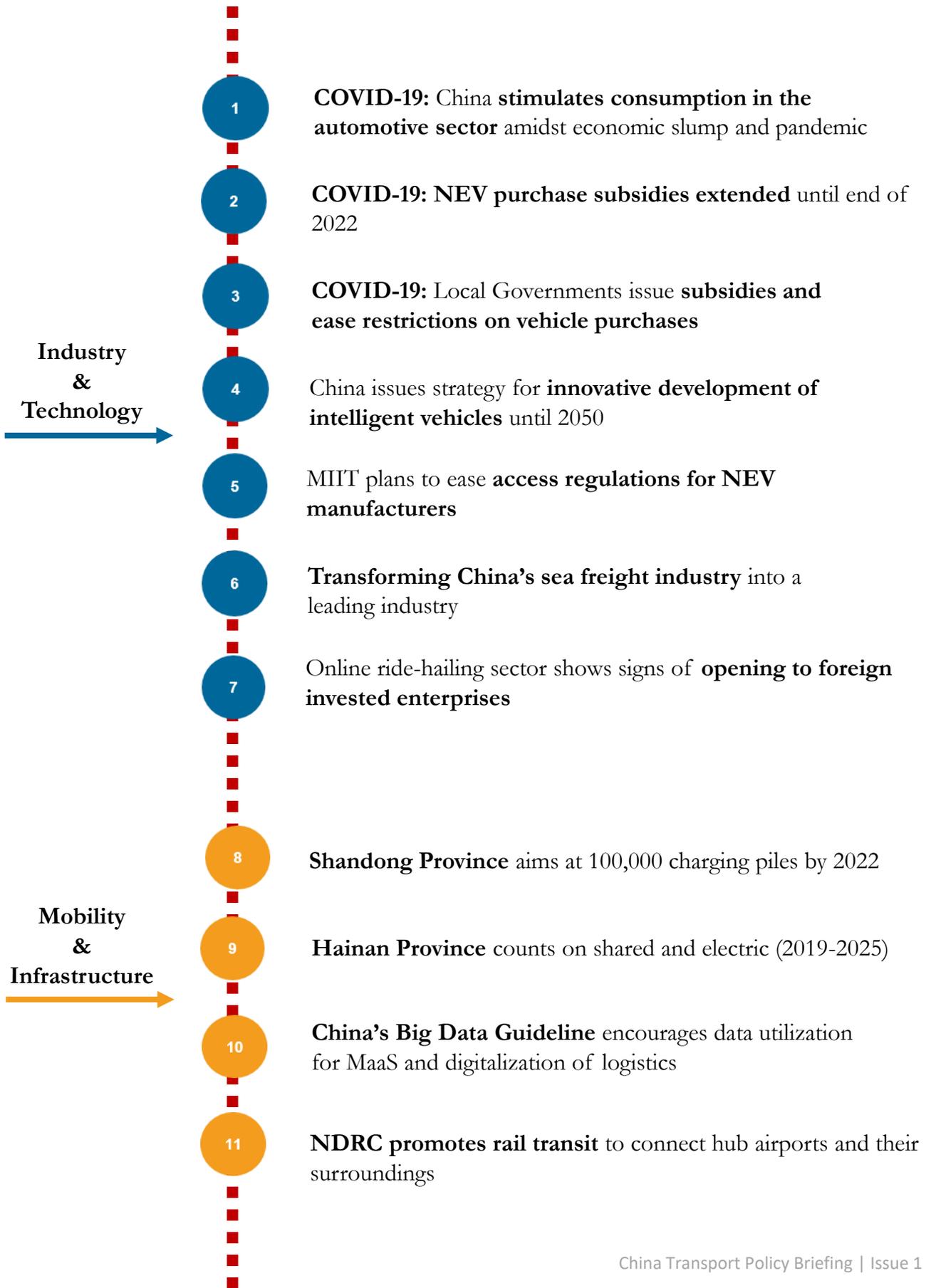
The Periodical Update by GIZ in China



Highlights of this issue

- ➔ **COVID-19: Stimuli for the automotive sector**
- ➔ **Updated guidelines for NEV battery recycling aim at 85% lithium recovery**
- ➔ **Big Data Guideline encourages data utilization for Mobility-as-a-Service (MaaS) and digitalization of logistics**

Inside this issue



Inside this issue

Climate
&
Environment



12

Updated guidelines for NEV battery recycling **aim at 85% lithium recovery**

13

Stronger management for **road transport of dangerous goods**

14

Beijing seeks phase-out and **replacement of high emission vehicles**

Abbreviations

ADR	European Agreement Concerning the International Carriage of Dangerous Goods by Road	危险货物国际道路运输欧洲公约
AQSIQ	General Administration of Quality Supervision, Inspection and Quarantine	国家质量监督检验检疫总局
BEV	Battery Electric Vehicle	纯电动汽车
EQ	Excepted Quantities	例外数量
CHINA VI	National Emission Standard VI	国6排放标准
ITS	Intelligent Transport System	智能交通系统
LQ	Limited Quantities	有限数量
LNG	Liquefied Natural Gas	液化天然气
MaaS	Mobility-as-a-Service	出行即服务
MEE	Ministry of Ecology and Environment	生态环境部
MEM	Ministry of Emergency Management	应急管理部
MIIT	Ministry of Industry and Information Technology	工业和信息化部
MofCom	Ministry of Commerce	商务部
MoST	Ministry of Science and Technology	科学技术部
MoT	Ministry of Transport	交通运输部

Abbreviations

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
NHC	National Health Commission	国家卫生健康委员会
OEM	Original Equipment Manufacturer	原始设备制造商
PHEVs	Plug-in hybrid electric vehicles	插电式混合动力汽车
SAMR	State Administration for Market Regulation	国家市场监督管理总局

1. COVID-19: China stimulates consumption in the automotive sector amidst economic slump and pandemic

关于有序推动工业通信业企业复工复产的指导意见
关于支持商贸流通企业复工营业的通知

After all non-essential work had been halted

during the height of COVID-19 protection measures in late January and February, China's Ministry of Industry and Information Technology (MIIT) on 25 February 2020 urged producers to resume production as far as possible with the aim to stabilize consumption and economic output in the automotive sector. Businesses in the automotive, lithium-ion battery and manufacturing sector shall be prioritized for government support, with a special focus on emerging industries of strategic importance, such as 5G, intelligent manufacturing and new energy vehicles (NEVs), as well as supporting industries related to these fields, including auto parts, core components and key electronic materials.

Furthermore, the Ministry of Commerce (MofCom), the National Development and Reform Commission (NDRC) and the National Health Commission (NHC) on 23 March 2020 announced that local governments should develop incentive schemes for new vehicle purchases and the replacement of old vehicles. Besides subsidies, the reduction of restrictions on vehicle purchases on the local level was highlighted as an important support measure for the local industries. Such restrictions typically include a restricted quota of license plates to be issued by the local authorities within a given year. For a list of local subsidies issued, see [Article #3](#).



Read the Policy
(Chinese)



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Industry & Technology

2. COVID-19: NEV purchase subsidies extended until end of 2022

李克强主持召开国务院常务会议 确定再提前下达一批地方政府专项债额度 带动扩大有效投资等

关于促进消费扩容提质加快形成强大国内市场的实施意见

The State Council on 31 March 2020 announced that NEV purchase subsidies issued by the central government, planned to be halted by the end of 2020, will be extended for another 2 years until the end of 2022. NEVs will also continue to be exempted from purchase tax (around 10% of vehicle price) until the end of 2022. Value-added tax (VAT) for second-hand cars will be reduced from 2% to 0.5% of sales until the end of 2023.

Just two weeks previously, NDRC, MIIT, the Ministry of Transport (MoT) and 20 other ministerial-level authorities had called upon local governments to issue plans to switch local support measures for consumers of NEV passenger cars from purchase subsidies to operational support, for example discounts on charging services. This would only leave local subsidies for new energy buses and hydrogen-fueled vehicles in place.



Read the Policy
(Chinese)



Read the Policy
(Chinese)



3. COVID-19: Local Governments issue subsidies and ease restrictions on vehicle purchases

Until the end of March, several local governments have heeded the call of the central government (see [Article #1](#)) and issued local incentives for vehicle purchases to ease the economic slump. For example, [Nanchang City](#), capital of central Jiangxi Province, has announced a subsidy of RMB 1,000 (EUR 130) per newly purchased car. [Hangzhou City](#), capital of Zhejiang Province, has announced an extra 20,000 quota of license plates to be issued for conventionally fuelled vehicles in 2020, in addition to its yearly limit of 80,000.



Cities in Guangdong Province have taken this opportunity to promote the emission standard CHINA VI: [Foshan City](#) announced consumers are to receive a subsidy of RMB 2,000 (EUR 260) per newly purchased vehicle which complies with CHINA VI. Owners of a Foshan license plate will receive RMB 3,000 (EUR 390) for the purchase of a new vehicle, if they deregister or scrap their old vehicle.

Those who simultaneously purchase five or more large-sized, medium-/heavy-duty buses or trucks of no less than RMB 500,000 (EUR 65,000) each, receive RMB 5,000 (EUR 650) per vehicle. Similarly, [Zhuhai City](#) has announced subsidies for vehicles compliant with CHINA VI. [Guangzhou City](#) has announced RMB 10,000 (EUR 1,300) in subsidies for new battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs), as well as 3,000 RMB (EUR 390) for replacing old vehicles with those compliant with CHINA VI.

[Read more on the next page](#)
➔

Industry & Technology

Other regions take the opportunity to promote local producers. [Ningbo City](#), Zhejiang Province, has announced a subsidy of RMB 5,000 (EUR 650) per locally produced and registered vehicle and up to RMB 5 million to local producers. The [Changsha-Zhuzhou-Xiangtan City Cluster](#) in Hunan Province has announced a subsidy of RMB 3,000 (EUR 390) per car for locally produced 3,500 cars. [Changchun City](#), Jilin Province, has announced subsidies between RMB 4,000 (EUR 520) and 6,000 (EUR 780) depending on the volume of sale, place of production and registration, as well as whether old vehicles are scrapped. The timeframes for the individual measures mostly vary between 3 and 12 months.

Region	Stimulus Measures	Duration
Foshan (Guangdong Province)	<ul style="list-style-type: none"> RMB 3,000 subsidy for selling and scrapping used vehicle RMB 2,000 subsidy for new car RMB 5,000 subsidy for bulk orders (of at least 5 units) of large-sized, medium-/heavy-duty buses or trucks 	01.03.2020 – 28.02.2021
Guangzhou (Guangdong Province)	<ul style="list-style-type: none"> Max. RMB 10,000 subsidy for new car purchases (BEV, PHEV) RMB 3,000 RMB for selling and scrapping used cars (CHINA VI) 	20.03.2020 – 31.12.2020
Changsha (Hunan Province)	<ul style="list-style-type: none"> Max. RMB 3,000 for purchasing locally produced cars 	11.03.2020 – 30.06.2020
Changsha, Zhuzhou, Xiangtan (Province Hunan)	<ul style="list-style-type: none"> RMB 3,000 subsidy for two locally produced Geely-models 	Effective from 01.03.2020, and max. 3,500 units
Zhuhai (Province Guangdong)	<ul style="list-style-type: none"> Subsidies for vehicles compliant with CHINA VI 	
Ningbo (Province Zhejiang)	<ul style="list-style-type: none"> Every local OEM is required to offer RMB 5,000 discount for each new car, max. for 6,000 cars 	25.03.2020 – 30.09.2020
Nanchang (Province Jiangxi)	<ul style="list-style-type: none"> RMB 1,000 subsidy for new car purchases 	26.02.2020 – 30.04.2020
Changchun (Province Jilin)	<ul style="list-style-type: none"> Max. RMB 5,000 subsidy for selling and scrapping vehicles Max. RMB 4,000 subsidy for locally produced and registered new vehicle Max. RMB 6,000 for each new vehicle under bulk orders (at least 5 units) 	20.03.2020 – 30.06.2020
Hangzhou (Zhejiang Province)	<ul style="list-style-type: none"> Releasing additional 20,000 license plates for conventionally-fuelled passenger cars 	Granted before July 2020

4. China issues strategy for innovative development of intelligent vehicles until 2050

智能汽车创新发展战略



Read the Policy
(Chinese)



On 24 February 2020, a total of 11 ministerial-level authorities, including NDRC, the Ministry of Science and Technology (MoST), MIIT and China's Cyberspace Administration, jointly issued the Strategy for Innovative Development of Intelligent Vehicles. It aims at using the size of the Chinese market and China's strength in mobilizing resources to build the country's capacities and benchmarking power in the sector until 2050.

In a first step, China plans to put in place a solid foundation for the large-scale application of intelligent vehicles until 2025. This includes the large-scale application of conditionally autonomous vehicles and selective application of highly autonomous vehicles. Several regions in the country shall have full access to LTE-V2X, while cities and expressways shall gradually adopt 5G-V2X. In terms of infrastructure, the strategy further plans for significant progress in the construction of intelligent transportation systems (ITS) and infrastructure for Smart Cities.

The document points out that it is necessary to improve supporting measures, including a strengthened coordination between sectors and a strengthened guidance for investments. This also includes the encouragement of foreign-invested enterprises to actively participate in the development of the intelligent vehicle industry.

5. MIIT plans to ease access regulations for NEV manufacturers

新能源汽车生产企业及产品准入管理规定；
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（征求意见稿）

A draft for comments about a revised market access provision for NEV manufacturers and products was released by MIIT on 10 February 2020, with a second draft for comments published on 7 April 2020. Vehicle manufacturers must meet this provision to obtain permits for NEV production.

The main amendment in the first consultation draft compared to the [original provision](#) (which came into effect July 2017) is that manufacturers no longer need to be able to do their own research and development. The [second draft for comments](#) upholds this change. The second draft furthermore extends the time period for producers' delay from 12 months to 24 months, giving producers more time without production activity before their NEV production permits are revoked.



Read the original provision (Chinese)



Read the second draft (Chinese)



6. Transforming China's sea freight industry into a leading industry

关于大力推进海运业高质量发展的指导意见



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The Guideline on Vigorous Promotion of High-Quality Development of the Sea Freight Industry proposes short-, middle- and long-term targets to transform Chinese sea freight into a world-class industry by 2050, with fully modernized governance capabilities. The guideline focuses on improving the quality of passenger and freight services through better fleets and improved global services, on fostering strong shipping enterprises through deepened market reform, on controlling pollution through energy efficiency measures and technological advances, as well as on green, low-carbon and digital development.

Furthermore, the guideline aims to strengthen safety management aboard ships and in production, and to improve emergency response capabilities. It also emphasizes the need to foster cooperation and innovation by advancing the Maritime Silk Road as part of China's flagship Belt and Road Initiative and being active in international shipping affairs. Lastly, it aims to make management by the government more efficient by improving working mechanisms and strengthening related capacities.

7. Online ride-hailing sector shows signs of opening to foreign invested enterprises

关于修改《网络预约出租汽车经营服务管理暂行办法》的决定

On 28 December 2019,

The Interim Measures for the Administration of Online Taxi Booking Business Operations and Services, issued by MoT and approved by MIIT, the Ministry of Public Security (MPS), MofCom, the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) and the Cyberspace Administration of China, came into force. Compared to the 2016 version, the 2019 version no longer requires foreign-invested enterprises to provide an approval certificate, which was specifically needed for foreign-invested enterprises and obtaining which could significantly delay their activities.



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

Mobility & Infrastructure

8. Shandong Province aims at 100,000 charging piles by 2022

关于进一步加强和规范我省电动汽车充电基础设施建设运营管理的实施意见



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(Chinese)

On 20 December 2019, Shandong Province issued a Guideline on further strengthening and standardizing construction of public and residential NEV charging infrastructure.

The eastern coastal province of Shandong, with a land area half the size of Germany and a population of 100 million, is already home to a fast-charging network at highway service stations (146 charging stations and 595 charging piles for public use). By the end of 2022, Shandong wants to upgrade its overall charging network to at least 100,000 charging piles, in a demand-oriented, reasonable, reliable, smart and efficient layout. In all new residential areas, power supply lines for charging infrastructure shall be included in the construction for fixed parking spaces. By the end of 2022, 15% of all public parking spaces should be equipped with charging infrastructure.



9. Hainan Province counts on shared and electric (2019-2025)

海南省共享出行试点实施方案（2019-2025年）



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(Chinese)

On 26 December 2019, Hainan Province released a Pilot Plan for ride-sharing (2019-2025), which aims at promoting the coordinated development of sustainable travel and the sharing economy.

By 2022, the island province plans to have 6,000 shared vehicles in use, and 10,000 shared vehicles by 2025. Consumers shall be able to return rental cars flexibly in multiple places. 60% of shared vehicles shall be shared under web-based sharing systems in 2022, 90% in 2025. The role of shared bicycles in solving the last-mile problem shall be promoted, and parking regulations are to become more standardized. By 2022, all shared vehicles shall be NEVs or LNG-fuelled vehicles, with the proportion of electric vehicles and public charging piles in the province reaching 8:1. By 2025, the proportion of electric vehicles and public charging piles in the province shall be further reduced to 6:1.

The Plan also aims at improving ridesharing service facilities, improving micro-mobility, strengthening the environmental governance of shared bicycles, and integrating data on user behaviour into the social credit system by the end of 2022. By 2025, Hainan wants to establish a provincial monitoring platform, achieve demand-oriented distribution mechanisms of shared bicycles, optimize resource utilization, as well as its branding as a pilot province for shared and electric mobility through networking, and further developing international ties.



10. China's Big Data Guideline encourages data utilization for MaaS and digitalization of logistics

推进综合交通运输大数据发展行动纲要（2020—2025年）



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(Chinese)

The Guideline for the Development of Big Data for the Transport Sector (2020-2025) was issued by MoT on 9 December 2019. Until 2025, China plans to develop a respective standard system and to create large-scale and systematic data sets. Enterprises in the transport sector are encouraged to apply Big Data to foster their digital transformation, while the government aims to continuously open up public sources of information, to ensure openness and security in the exchange of information, and to promote innovation. Furthermore, inter-departmental communication mechanisms are to be improved to aid in cross-departmental exchange on the topic. A National Transport Information Platform to function as governmental infrastructure is to be established.

For passenger transportation, Big Data will be mainly used to innovate travel services, and for the cultivation of the Mobility-as-a-Service (MaaS) model. In terms of freight transportation, the government intends to promote the digital development of logistics, such as through the construction of an online platform for multi-model transportation, switching to electronic logistics documents and new models of logistics services. Overall, Big Data will be applied for monitoring and facilitating emergency management, credit supervision, law enforcement, and government services. Lastly, to ensure the success of the implementation, capacities of the management and technical think tanks will be improved. MoT will increase its financial support and evaluate the implementation.

11. NDRC promotes rail transit to connect hub airports and their surroundings

关于促进枢纽机场联通轨道交通的意见

On 10 April 2020, NDRC has issued Recommendations on Promoting the Connectivity between Rail Transit and Hub Airports. The document aims to strengthen planning and guidance for the airport rail transit system.

It recommends that international hub airports should be connected through rail transit to a surrounding area of 800 to 1,000 km. Regional hub airports should connect to a surrounding area of 300 to 500 km. Furthermore, it recommends improving transfer links through cooperation between the airport, airlines and rail transit operating units on the integration of information platforms and services, thereby allowing rail services to be arranged according to flight conditions. To further simplify the transfer, the document recommends cooperating on check-in and security clearance at urban terminals of rail transit stations. Lastly, to broaden the investment and financing channels for rail transit, public private partnerships shall be explored. For a more comprehensive list of key projects of Rail Transit of Hub Airport, [please refer to this overview \(Chinese\)](#).



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(Chinese)



12. Updated guidelines for NEV battery recycling aim at 85% lithium recovery

新能源汽车废旧动力蓄电池综合利用行业规范条件（2019年本）

On 1 January 2020, revised Guidelines for enterprises engaged in the recycling and reuse of used NEV traction batteries came into effect. The Normative Industry Requirements for the Comprehensive Utilization of Used NEV Traction Batteries (2019) replace the preceding guidelines from 2016. Although not legally binding, they set the benchmark for enterprises who want to engage in recycling and reuse of waste NEV traction batteries. Companies which are deemed to be compliant with the guidelines are put on China's so-called battery recycling "White List" and are acknowledged to be at the forefront of technology, standardization and environmental protection.

Among the requirements for companies engaged in cascade utilization and recycling of used NEV batteries listed by the Guidelines are, to keep their distance from drinking water sources, historical sites and nature conservation parks, as well as to have intelligent, environmentally-friendly, energy-efficient and water-saving production processes. The Guidelines also emphasize the importance of protecting against fire safety hazards and environmental pollution through proper storage of batteries and their parts, as well as treatment of wastewater, slug, and gas. Reflecting the introduction of the [battery tracking system](#) in 2017, the document also emphasizes the importance of companies being able to access and add information to the digital NEV battery tracking system.



[Read more on the next page](#)



Climate & Environment

For cascade utilization specifically, companies need to be able to properly judge the usage state of waste batteries, and to apply automated technology and standardized processes for effective and safe cascade utilization at a large scale. For recycling, companies should have automated processes for mechanic separation, and recovery processes of industrial scale which recover reasonable amounts of raw materials while protecting the environment from harmful substances.

Compared to the 2016 version, the 2019 guidelines no longer stipulate recovery rates based on the type of recycling process, but based on type of raw material. One major addition in 2019 has been the additional requirement for companies to recover 85% of lithium. While nickel, cobalt and manganese recovery through hydrometallurgical processes was required to be at 98%, and at 97% for nickel and rare earths through pyrometallurgical processes in 2016, the 2019 guidelines require 98% of nickel, cobalt and manganese recovery and 97% of rare earth and other major valuable metals irrespective of the recycling method.

Furthermore, instead of requiring companies to pass ISO environmental management certifications (2016 version), the 2019 Guidelines require companies to implement [environmental impact assessments](#), to install pollution protection facilities during construction of recycling plants, to obtain a [pollutant discharge permit](#), to achieve a 90% recycling rate of wastewater, and to pass environmental protection inspections upon completion of construction in accordance with the [Environmental Protection Law](#).



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(Chinese)

13. Stronger management for road transport of dangerous goods

危险货物道路运输安全管理办法

On 10 November 2019, MoT, MIIT, MPS, the Ministry of Ecology and Environment (MEE), the Ministry of Emergency Management (MEM) and the Standard Administration of Market Regulation (SAMR) jointly issued the Administrative Measures for Safety of the Carriage of Dangerous Goods by Road. The Measures emphasize stronger management and supervision of dangerous goods transportation, from consignment over carriage to loading and unloading. Obligations of consignor, carrier, consignee, loader, unloader, inspection agencies and transport equipment manufacturers are specified. Particularly noteworthy is the obligation of the consignor regarding packaging, labelling, shipping list and information about the consigned dangerous goods (classification, shipping name and UN numbers).

The measures also set clear regulatory responsibilities and penalties against violations. They strengthen inspections; stipulate control measures for vehicle operation and traffic management; clarify exemptions regarding excepted quantities (EQ) and limited quantities (LQ); and reinforce professional qualification and safety training for employees in the field of dangerous goods transportation.

Through issuing of the measures, the voluntary industry standard JT/T 617 – Regulations Concerning Road Transportation of Dangerous Goods – has been made partly legally binding. Both the measures and JT/T 617 used ADR – the European Agreement Concerning the International Carriage of Dangerous Goods by Road – as reference.



Read the Policy
(Chinese)



14. Beijing seeks phase-out and replacement of high emissions vehicles

北京市进一步促进高排放老旧机动车淘汰更新方案



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

On March 27, the Beijing Municipal Government issued a work plan with the aim of optimizing vehicle inventories through subsidies and awards for scrapping or replacing gasoline passenger and cargo cars of the CHINA III emission standard.

Through the third-party trading platform, Beijing Environment Trading Platform, entrusted by the government, specific incentives and corporate incentive vouchers for new car purchases will be provided to car owners, whose old CHINA III gasoline passenger and cargo cars have been scrapped or replaced. This rule will be in place from 1 April 2020 to 31 December 2021. The deadline for applying for subsidies and awards is 31 March 2022. Government vehicles are not eligible for subsidies.



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