

THE ISSUES WE ARE FACING

—Introduction to the issues & the purpose of study

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1. Present Status of Growing Population of Automobile & PUV

* Vehicle population

Veh.	1998	1999
Cars	13.2 Mio.	14.52 Mio.

* More than 20% PUV growing per yr. Since 1985

* Density 90 persons / Veh

 350 persons / car

1. (Continue...)

Car Market: Recent & future

- * 1999 : 0.56 Mio.

- * If China's PUV density reaches world average level : car market demand > 10 mio./yr. (car population: 120 mio.)

■ 2 • Restraints of PUV Market

A. Government policy

- Tax: over 20 kinds
- Business vehicle(e.g. taxies): >100% (total price)
- Non-business Vehicle: 40—50%
- Other different inevitable “donations”(social contribution)
- Jiangshu Province declared to eliminate the consuming additional fee (10% of total price) last year

2. (Continue...)

B. Personal income (yuan)

- City citizens 1999 : 5859 (1998 : 5155 ,9.3%)
- Countryside 1999 : 2205 (1998 : 2116 ,4%)
- Number of family which annual income over 50,000 yuan

	2000	2010
City	6.2Mio	37Mio
Countryside	2.0Mio	7.0Mio

Less than 20% of them have bought PUV

2. (Continue....)

C. Environment issue

- Pollution has been very serious in many metropolitans
- Unceasingly increase of passenger cars becomes a significant social pressure to government

2. (Continue....)

D. Energy source

- Growing Oil import reached 50MT (2000)
- Quality of Fuel oil is not satisfactory :
gasoline - high olefin ; diesel oil -high sulfur &
low cetane-index
- Oil supply may lead to issues of national
security

2. (Continue...)

E. Road & other infrastructures

- Congestion is still a main restraint in developing PUV

Average speed in urban area <20km/h

3. Augments in developing PUV in China

A: Terrible, if PUV grows liberally. And definitely needs stronger constraint

B: Growing of PUV is inevitable. People who get rich, will certainly like a more enjoyable life. Nobody can stop it (just like air cond. 10 yr. ago).

Reasonable development of PUV will promote
National Economy

3. (Continue...)

A: Impossible & no need to develop Chinese own technological ability within the environment of industrial globalization

B: One's own capability is necessary condition for better cooperation

4 • Our Purpose of This Study

- 1). To achieve a proper understanding on the development of PUV in China (Both pros & cons)
- 2). To make clear that how to solve social problems of congestion, pollution & energy issues in developing PUV market & auto industry. (Technological choices, policy/regulation, urban planning & administration)

4. (Continue ...)

— 3). To make it clear :

- * What are the cost & the benefit for the promotion of CNGV

- * In what extent the CNGV effects on China's social development

- * The possibility of International and National cooperation for the promotion of CNGV

4. (Continue ...)

—4). To advise our government:

- * To remove the barriers for reasonable development of a preferable transportation system and auto industry

- * To encourage cooperation between government & industry as well as international collaboration for

developing/introducing CNGV & related technologies for sustainable development.

5 . Something Done Recently

- * Visited several enterprises(exchanging view points & raising financial support)
- * Held some workshop/forums discussing on issues of market & economy, energy, environment, transportation, & technological choices
- * Expressed our opinions via different channels (internal documents, conferences, media etc.) to decision making authority

5 . (Continue...)

The dominant key points of the workshops & forums are:

1. Government should set up the facilitating policy for facilitating PUV in China's Tenth Five Year Plan
2. We should develop our own automotive industry while opening to the outside and cooperating with world auto industry & introducing automotive technologies from foreign countries
3. It is crucial to put the program for developing Chinese new generation vehicles (CNGV) into the national development agenda.

6 . Some Effect & Hope ...


Situation has been changing :

- (1) Auto-Industry has now been selected by Chinese government as one of the Seven Key Traditional Industries to be reformed
- (2) Initiation of policy to encourage growing of PUV
- (3) Promoting progress & innovation in science & technology, especially in the fields of IT, advanced material, aeronautical & aerospace technologies applicable to auto industry
- (4) Emphasizing investment on construction of highway & networking of oil /gas pipes

6 . (Continue...)

Hope that :

The cooperation between NRC & CAE will lead to a significant contribution to the reasonable development of CNGV and sustainable development of China in 21st Century



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Thank You !