

China 'aims to lead world' in eco-friendly cars

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A Chinese-made Geely electric car on display at the Beijing Auto Show in April. China is drawing up a new plan to become a leader in eco-friendly cars that could include forcing foreign automakers to share key technologies for access to its market, the Wall Street Journal says.

China is drawing up a new plan to become a leader in eco-friendly cars that could include forcing foreign automakers to share key technologies for access to its market, a report said Friday.

The draft suggests China could force the technology transfers by requiring overseas firms enter into joint ventures in which they would be limited to a minority stake, The Wall Street Journal said.

It quoted unnamed executives of four foreign automakers who had seen the proposal, while noting that the plan was still only in the draft phase

and that any such requirements could be eventually watered down or eliminated.

China is already facing growing complaints from foreign companies, business groups and governments that overseas enterprises are encountering an increasingly skewed playing field in the country's huge market.

The auto technology requirement is "tantamount to China strong-arming foreign auto makers" to give up technology in exchange for market access, one senior foreign auto executive was quoted saying.

The report said the 10-year plan being prepared by the Ministry of Industry and Information Technology would make China "the world's leader" in battery-powered cars and hybrids.

It aims to develop up to five Chinese companies into globally competitive makers of all-electric cars or plug-in hybrids by 2020, and up to three global suppliers of key components, the report said.

The plan calls for investment of as much as 100 billion yuan (15 billion dollars), it added.

China's [auto market](#) surged past the United States to become the world's largest last year.

The plan is being distributed to other government agencies and some state-owned automakers for feedback, the report said. If major opposition does not surface, it could be implemented as soon as next month.



General Motors' president and managing director for China operations, Kevin Wale (third left) takes part in the groundbreaking ceremony for the company's advanced technical center in Shanghai in June. China is drawing up a new plan to become a leader in eco-friendly cars that could include forcing foreign automakers to share key technologies for access to its market, the Wall Street Journal says.

In July, the US Chamber of Commerce accused China of abusing the allure of its 1.3-billion-strong market to push foreign companies to transfer their latest technologies to Chinese competitors.

It called the practice a "blueprint for technology theft on a scale the world has never seen before".

Chinese Premier Wen Jiabao on Monday promised China would keep the welcome mat out for foreign companies, following the complaints.

"[China](#) is committed to creating an open and fair environment for foreign-invested enterprises," he said in a speech to the World Economic Forum's "Summer Davos" meeting in the northern city of Tianjin.

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