

# Carmakers look to an electric future in China

April 21 2011, by D'Arcy Doran

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An electric car of Chinese car manufacturer FAW Car is displayed at the Shanghai Auto Show in Shanghai. Major carmakers' high hopes for electric vehicles are on clear display at the Shanghai auto show, but industry leaders say it could be a decade before such eco-friendly cars go mainstream.

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billion by 2020 -- and have five million of them on the road by then.

Beijing's determination has executives predicting China, the world's largest auto market, will be one of the first to see widespread adoption of [electric cars](#).

"Two-hundred million ride electric motor scooters (in China) now. They know the limitations of batteries and about recharging so they don't run out of power," General Motors China President Kevin Wale told AFP.

"As soon as someone provides them with the right vehicle at the right price, they'll start to move towards them. The government's going to support that transition as well," Wale said.

General Motors, Toyota and Volkswagen, and Chinese firms such as BYD, Geely and Chery, are among those displaying hybrid and electric cars at the Shanghai show, alongside more traditional models, as they jostle to woo Chinese buyers.



An electric car prototype of Chinese car manufacturer Geely is displayed at the Shanghai Auto Show in Shanghai. Wary over its growing dependence on foreign oil, China plans to become a world leader in clean-energy vehicles, pledging to invest more than \$14 billion by 2020 -- and have five million of them on the road by then.

The scale of China's market -- a record 18 million vehicles were sold last year -- provides Chinese auto manufacturers with a huge laboratory to help find the right electric-car formula, Wale said.

"They won't wait until research and development gives the perfect solution. They'll move much more quickly in terms of putting options in front of people and learning from that and putting the next one out," Wale said.

GM signed an agreement this week with an eco-city development in the northern port city of Tianjin to provide electric vehicles that will operate on a GPS network designed to eliminate [traffic jams](#).

China's drive for electric cars is motivated by its fear of being addicted to foreign oil, said auto market analyst Michael Dunne of Hong Kong-based Dunne and Co.

"Let's be clear: This effort to go electric is 90 percent about energy security and less than 10 percent about the environment," Dunne said, adding China will generate most of the electricity to run the cars by burning polluting coal.



An electric car of Chinese car manufacturer Dongfeng motor group is displayed at the Shanghai Auto Show in Shanghai. Global automakers expect China to set the pace in developing a market for electric cars.

Either way, global automakers expect [China](#) to set the pace in developing a market for electric cars.

"The new energy vehicle opportunity here is probably bigger than in other countries," BMW management board member Ian Robertson said.

But the transition will not happen overnight. Ford forecasts that by 2020 perhaps 10 to 25 percent of global auto sales will be hybrid and electric cars.

"The batteries need to get smaller. They need to be capable of holding more storage and they need to be able to extend the range. But importantly, they also need to get less costly," Ford Asia Pacific President Joe Hinrichs said.

Battery development "has not kept up with the hype" surrounding new energy vehicles, he said, adding government involvement was necessary to keep innovation moving.

"It's so important to the global economy. It's not about any one country or any one industry," Ford's Hinrichs said. "It's going to take the better part of this decade to get the development cycles going better."



The Active-E, an electric car made by German car manufacturer BMW, is displayed at the Shanghai Auto Show in Shanghai.

For their part, Chinese automakers are powering ahead to avoid falling behind Western competitors with these new technologies, the way they did in developing conventional internal combustion engines.

"We cannot wait until these technologies are fully mature, otherwise we will always be late," said Chen Hong, president of SAIC Motor, the

leading Chinese manufacturer by sales.

SAIC plans to start mass production of a small electric car, the Roewe E1, and a hybrid car, the Roewe 550, in the second half of 2011.

Shenzhen-based BYD, which began as a manufacturer of nickel and lithium-ion batteries, is currently testing a 12-metre-long (40-foot) all-electric bus called the K9 in Denmark, BYD spokesman Paul Lin said.

Talks are under way for similar tests in Britain, the Netherlands, Singapore and Hong Kong, Lin added.

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