

Nissan launches China-focused electric car

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Reporters take pictures of a Nissan Sylphy Zero Emission, the Nissan's first all-electric vehicle built in China, at the Nissan factory in Guangzhou, Guangdong province, China, Monday, Aug. 27, 2018. The Sylphy is part of a wave of dozens of electric models planned by global automakers for China where the government is pressing them to accelerate development of the technology. (AP Photo/Vincent Yu)

Nissan's first electric sedan designed for China began production Monday at the start of a wave of dozens of planned lower-cost electrics

being created by global automakers for their biggest market.

Manufacturers including General Motors and Volkswagen are poised this year to launch a flood of electric sedans, minivans and SUVs in China designed for local tastes and smaller budgets. Nissan, Tesla, GM and others sell imported electrics or electrified versions of models made by Chinese partners, but the market is dominated by low-cost local rivals including BYD Auto.

China's government sees electric cars as a promising industry and a way to clean up its smog choked cities. It has spent heavily on subsidies to Chinese producers and is shifting the burden to automakers with sales quotas and tougher fuel efficiency standards.

The Sylphy Zero Emission, based on Nissan's leaf, is being produced by Nissan Motor Co. and a Chinese partner, Dongfeng Motor group.

The Sylphy costs 166,000 yuan (\$25,850) after government subsidies, or just over half the sticker price of the Chinese version of the Leaf sold by Nissan and Dongfeng's joint venture Venucia brand. Nissan says the Sylphy can go 338 kilometers (210 miles) on a charge.



Chinese workers inspect a Nissan Sylphy Zero Emission, Nissan's first all-electric vehicle built in China, at a production line in Guangzhou, Guangdong province, China, Monday, Aug. 27, 2018. The Sylphy is part of a wave of dozens of electric models planned by global automakers for China, where the government is pressing them to accelerate development of the technology. (AP Photo/Vincent Yu)

"We're confident that the Sylphy Zero Emission rolling off the production line today will become a main player in the EV market," said Nissan CEO Hiroto Saikawa. "We're going to roll out a range of EVs that will appeal to customers within all market segments."

Sales quotas that take effect next year require every brand to sell electrics or buy credits from competitors that do. That puts pressure on automakers to create models Chinese consumers want and can afford.

China accounted for half of global electric car sales last year, but almost

all of those came from Chinese brands including BYD Auto and BAIC Group. Their prices start as low as 140,000 yuan (\$22,000).

"Basically, all these international giants are testing the water. They have not really launched their heavyweight models in China yet," said industry analyst Yale Zhang of Automotive Foresight.



A worker inspects a Nissan Sylphy Zero Emission, Nissan's first all-electric vehicle built in China, at a production line in Guangzhou, Guangdong province, China, Monday, Aug. 27, 2018. The Sylphy is part of a wave of dozens of electric models planned by global automakers for China where the government is pressing them to accelerate development of the technology. (AP Photo/Vincent Yu)

"By the end of this year, things will be different," said Zhang. "We really

will see the market become more competitive and consumers will have more to choose."

Government plans call for total annual sales of 2 million electric and gasoline-electric hybrid vehicles by 2020, up from last year's 770,000.

GM says it will roll out 10 electric and hybrid models in China from 2016 to 2020. It says 2025, all its Buick, Cadillac and Chevrolet models in China will offer hybrid or pure-electric versions.

Tesla says China is its second-largest market. But a high sticker price has limited sales by other foreign brands to a few hundred vehicles.



A cameraman takes video of a Nissan Sylphy Zero Emission, the Nissan's first all-electric vehicle built in China, at the Nissan factory in Guangzhou, Guangdong province, China, Monday, Aug. 27, 2018. The Sylphy is part of a wave of dozens of electric models planned by global automakers for China where the government is pressing them to accelerate development of the

technology. (AP Photo/Vincent Yu)

The Chinese government announced in April it would end restrictions on foreign ownership of electric vehicle manufacturers this year in an effort to promote development.

Producers including GM and Nissan had been reluctant to transfer manufacturing to China due to the requirement to share technology with Chinese partners that might become rivals.

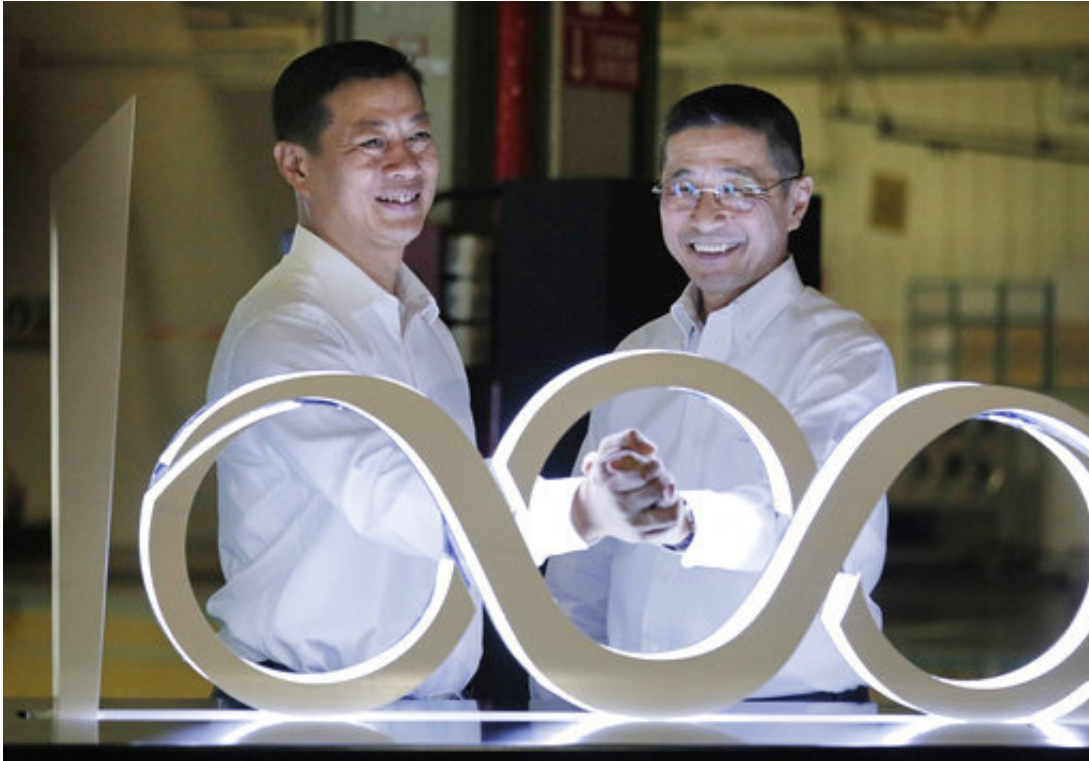
Freed of that requirement, Tesla Inc. announced in July it would build its first factory outside the United States in Shanghai, becoming the first wholly foreign-owned automaker in China.

Other automakers are working through ventures with Chinese partners, hoping to take advantage of their experience at developing lower-cost vehicles.

Chinese sales in July of pure electric and gasoline-electric hybrids, boosted by subsidies and other government support, rose 47.7 percent over a year to 84,000.



Hiroto Saikawa, Nissan Motor Co., Ltd's president and CEO, right, and Zhu Yanfeng, Chairman and Party Secretary of Dongfeng Motor Group Co., Ltd, left, attend the ceremony of the launching of the Nissan Sylphy Zero Emission, the Nissan's first all-electric vehicle built in China, in Guangzhou, Guangdong province, China, Monday, Aug. 27, 2018. The Sylphy is part of a wave of dozens of electric models planned by global automakers for China, where the government is pressing them to accelerate development of the technology. (AP Photo/Vincent Yu)



Hiroto Saikawa, Nissan Motor Co., Ltd's president and CEO, right, and Zhu Yanfeng, Chairman and Party Secretary of Dongfeng Motor Group Co., Ltd, left, pose during the launching of the Nissan Sylphy Zero Emission, the Nissan's first all-electric vehicle built in China, in China, in Guangzhou, Guangdong province, China, Monday, Aug. 27, 2018. The Sylphy is part of a wave of dozens of electric models planned by global automakers for China, where the government is pressing them to accelerate development of the technology. (AP Photo/Vincent Yu)



Workers of the Dongfeng Nissan attend the ceremony launching the Nissan Sylphy Zero Emission, the Nissan's first all-electric vehicle built in China, in Guangzhou, Guangdong province, China, Monday, Aug. 27, 2018. The Sylphy is part of a wave of dozens of electric models planned by global automakers for China, where the government is pressing them to accelerate development of the technology. (AP Photo/Vincent Yu)



A worker of Dongfeng Nissan, right, wears a uniform with a pin with Chinese words "Communist party member" attends the ceremony of launching Nissan Sylphy Zero Emission, the Nissan's first all-electric vehicle built in China, in Guangzhou, Guangdong province, China, Monday, Aug. 27, 2018. The Sylphy is part of a wave of dozens of electric models planned by global automakers for China, where the government is pressing them to accelerate development of the technology. (AP Photo/Vincent Yu)

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