

Chengdu races to be China's new automotive hub

Sichuan capital becomes base for expansion, technical progress

By ZHONG NAN and LI YU in Chengdu and LU HAOTING in Beijing

With car sales rising in China's vast western region, Chengdu appears to have developed a new revenue source with which automobile makers can expand their factories and gain an edge over the fierce competition taking place in the country's eastern region.

Although many cities, including Shenyang in Liaoning province, Changchun in Jilin province, Wuhan in Hubei province and Shanghai, have staked a claim to be the new hub of China's automobile industry, the Sichuan capital is attracting more automakers to assemble vehicles in order to meet the growing demand in China's western market, especially for passenger cars and sport utility vehicles.

According to Shi Yuehua, director of Chengdu's economic and information technology committee, China's coastal market has long been a battlefield for car-makers from Europe, the United States, South Korea and Japan.

"Due to endless price wars, costly advertising and promotional campaigns, restrictions on vehicle purchases to tame heavy air pollution and the near saturation of car ownership in some eastern cities, the coast of China therefore is no longer as fast-growing a marketplace for international vehicle brands as it once was," Shi said.

Automakers' eyes have turned to Chengdu, where activity has been growing exponentially. The output of finished vehicles in FAW-Volkswagen's Chengdu base, a

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joint venture between China FAW Group Co and Volkswagen AG, hit 1 million units earlier this month.

Juergen Unser, vice-president and board member of FAW-Volkswagen, called the fact that the Chengdu factory has produced 1 million vehicles within three years "another China miracle".

The FAW-Volkswagen joint venture was established in Chengdu in 2009, in the Longquanyi district, 13 kilometers east of downtown. Its first car rolled off the assembly line in 2011. As the second base for FAW-Volkswagen after its headquarters in Changchun, the Chengdu base is now in full operation after a third phase



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was completed last year.

"The Chengdu base now is using its full capacity and aims to produce 600,000 vehicles this year," said Zhang Pijie, general manager of FAW-Volkswagen.

The Chengdu Economic and Technological Development Zone in Longquanyi district has become an important production base for FAW-Volkswagen, FAW Toyota, Volvo and Geely.

Statistics from the CEDZ show it is home to 17 vehicle manufacturers and about 290 related companies that are producing such things as catalytic converters, glass, electronic components and even tires.

"Automobile production in Chengdu is expected to exceed

800,000 units in 2014, generating total sales revenue of over 100 billion yuan (\$16 billion)," said Li Hua, deputy director of the CEDZ. Chengdu produced 723,000 vehicles in 2013, up 86.7 percent from a year earlier.

Li said the central government's "Go West" campaign and its continued investment in roads, highways and towns will be key factors in supporting vehicle growth in western China, at least over the next decade.

"A further goal for the auto sector of the CEDZ is to manufacture 1 million vehicles annually by 2016 and 1.8 million by 2020, making it one of China's most important auto production bases," Li said.

The driving forces behind

this change are western China's surging demand for vehicles and its fast-growing infrastructure, logistics, communications, tourism, manufacturing and agricultural development. Another factor is rising trade activity with Central Asia and Russia through the international railway linking Chengdu to Lodz, Poland, which went into operation last year.

Regional markets such as Shaanxi, Qinghai and Gansu provinces, and the Tibet and Xinjiang Uygur autonomous regions can all benefit from a booming automobile sector in Chengdu because of their proximity to the city, Li said.

Various vehicles made in Chengdu will also eventually

be loaded onto railcars to ship to new markets in Kazakhstan, Russia and Belarus, he said.

Guo Konghui, an academician at the Chinese Academy of Engineering in Beijing, said that with the current global economic picture, the Chinese government wants to shift its focus from investment to domestic consumption, with car consumption playing a key role in this transition.

"Chengdu is experiencing a transformation from heavy industry to more high-tech machinery and automobile sectors," Guo said. "Thanks to the city's industrial culture, heritage and vocational education system, recruiting

qualified workers will not be a problem whether for Chinese or foreign automobile enterprises."

Indeed, the city has been one of China's hubs for domestic manufacturing production for more than four decades, producing a huge volume of machinery, chemical products, electronics and metallurgical equipment.

Under an arrangement that was set up by universities, vocational colleges, Chengdu's government and foreign automakers, many courses are being taught in English, with materials supplied by overseas companies.

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autospecial

BMW's electric car environmentally friendly inside and out

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The pure electric BMW i3, used as a free shuttle at Auto China 2014, has become a highlight at the ongoing event.

The public can register online to experience the new environmentally friendly and agile car.

Bookings for the BMW i3 began on April 20, with prices starting at 450,000 yuan (\$73,770) and rising to 520,000 yuan with added extras.

The electronic car is an upgrade developed from the BMW i3 concept car.

Made with the design philosophy of "stream flow" in mind, it has a streamlined body and refined rear.

In terms of size the BMW i3 has the similar body size as other standard microcars.

In a bid to help it look bigger, the new car has an expanded windshield and large wheels, but the door design remains the same as in the concept model.

In terms of safety, the BMW i3 uses a LifeDrive structure with carbon fiber reinforced

plastic in its body, seats, engine, chassis and accumulator.

In terms of interior design, the simplicity represents the future of pure electric cars.

A small liquid crystal display on the steering wheel transmits the car's information to the driver. It is also equipped with lightweight seats.

The BMW i3 also boasts unique environmentally friendly characteristics.

All materials used in the interior are recyclable and the almost symmetrical curved dashboard is inlaid with treated eucalyptus wood. BMW's policy states that for every eucalyptus tree used it will replant one.

The seat covers use a combination of responsibly sourced wool and leather naturally tanned with an olive oil leaf-based agent.

A quarter of the plastics in the car are made from recycled materials.

Electric car

The BMW i3 has a 22 kWh lithium-ion battery pack and an electric motor with peak power of 170 hp. The torque can hit 250 Nm.

The car takes 7.2 seconds to accelerate from zero to 100 km/h and its top speed is 150 km/h.

The i3 has a 650cc double cylinder gasoline engine,

which can charge the power engine.

The car can run 160 kilometers with one charge, which meets the demand and covers the distances needed in most cities. If drivers use the Eco Pro or Eco Pro+ mode the car can run for 185 km per charge.

If all energy-saving settings are turned on the electric car's maximum possible range extends to 320 km.

As charging facilities are a top concern of customers, the BMW i3 offers household-use charging facilities, which take six hours to give a full charge.

As the battery is located in a different place to that of a fuel car the BMW i3's floor is flat. The 2,750-mm wheel base offer spacious room.

The 4.93-meter-turning radius eases the pressures of city driving.

Environmental protection

All processes of production for the BMW i3 are as environmentally friendly as they can be.

In the Leipzig plant, all power used to manufacture the i3 comes from wind power turbines.

Compared with traditional manufacturing of similar sized cars, the i3 saves 50 percent energy and 70 percent water.



The full line-up of the BMW i3. Bookings for the BMW i3 began on April 20, with prices starting at 450,000 yuan (\$73,770) and rising to 520,000 yuan with added extras.

In China the i3 will be sold in 5S dealer shops, which comply with BMW's sustainable development standards in environmental protection and corporate social responsibility.

BMW ConnectedDrive technology offers clients special services. Its navigating system

tells drivers the most efficient route based on its power volume.

Drivers can also use smartphones to remotely control the car. For example, they can adjust the power charging time and the automatic air conditioning to get the car to an ideal

temperature before setting off.

The remote battery control can monitor the power and update the driver with short messages.

360° integrated services

When the i3 entered the market, BMW offered an integrated service to local families, including household and public charging services and on-trip services.

In terms of household charging solutions BMW has teamed up with its dealers to provide feasible solutions. Engineers can install charging facilities at customer's homes and offer help and advice.

For on-trip and mobile

phone services BMW has beefed up its efforts to help clients.

Package services with car sales hope to maximize clients' trust in the new energy cars.

Currently the company has authorized seven 5S dealers in Beijing, Shanghai, Shenzhen and Shenyang to offer such services and set up exhibitions of BMW i.

The company has also trained staff members and in the future plans to steadily expand the BMW i dealer network.

The all-new pure electric BMW i3 will enter the Chinese market in September this year, with the company already receiving pre-bookings.



The charging facilities of the all-new BMW i3



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