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## Owning a car was like a dream come true

For an average family in China now, owning a car is no longer a symbol of wealth or social status. But two decades ago, it was an enviable luxury few could afford.

I still remember vividly one evening 18 years ago: I was trying to hail a taxi when my wife suddenly asked: "When will we be able to buy a car?"

Frankly, I wasn't ready for a family car yet. I didn't even have a driver's license at the time, and a car wasn't something that I could afford with my meager income. But I told her all the same: "We'll buy a Daihatsu Charade in two years' time, I promise."

The Charade was an inexpensive model from Japanese carmaker Daihatsu assembled in Tianjin, which was then one of the most popular cars in China. But even that would cost at least 50,000 yuan, more than two years' salary for me.

But I was confident of the future. I did believe that a resilient Chinese economy would create wealth both for the nation as well as ordinary citizens. And my job at China Daily would give me a better chance to outpace average social income growth.

I was wrong, however, in predicting the time before I did lay hands on my own car. But I was right about income growth of the Chinese people that brought buying a car within reach.

My wife and I bought our first car five years later, three more than I had planned. The localized model of the Citroen was nearly triple the price of a Daihatsu and much better.

For those born before 1980s, a car wasn't merely a means of transport but a dream come true.

While I was young, private cars were virtually non-existent, and taxis were hardly seen on the streets. I remember coming home late during weekends in the 1970s when public buses were too crowded to get on. Occasionally my father would hail a cab. A short distance of 5 kilometers cost 10 yuan, one-tenth of his monthly salary.

Such experiences were unique to my generation or older people who were used to rationing for almost every item of daily necessities. An automobile belonged only to officialdom, and a professional driver was a coveted job.

Profound changes have taken place since the 1990s when families began to own cars. Reforms unleashed dynamism and creativity unparalleled in history, which have created fortunes for ordinary citizens.

The relaxation of rules and the continuous rise of incomes have led to an explosive boom in auto production and sales, and China has been the world's biggest auto market since 2009.

The writer is deputy editor-in-chief of China Daily.

# Coming to roads near you: sofas that think

35 years ago it was almost a car-less country; ahead lie driverless cars

VEHICLE SALES IN CHINA FROM 2000 TO 2015 (in 10,000 units)



By GONG ZHENGZHENG and LI FUSHENG

When Zhejiang Geely Holding Group started making cars about 15 years ago, its head, Li Shufu, saw cars as little more than a couple of sofas with four wheels attached.

Taking on board that reductionist view, what can we expect this mobile furniture to look like in, say, 15 years from now? Well, these sofas are still likely to be in place, but in two significant

ways this motor vehicle will be a generation removed from the cars of today. They will run on electricity, and those seats will have become sofas in a very real sense, something to lounge back on, because the car will be driving itself.

In China that technological leap is all the more remarkable in that it will have come so soon after the motoring revolution of the past 35 years or so in which the number of private cars on the road has grown from just 20,000 to about 125 million now.

And the innovators are not hanging around. In fact,

Lex Kerssemakers, chief executive of North American operations of Volvo, which Li's Geely bought in 2010, says he expects to see self-driving vehicles on the roads of Beijing or New York in little more than four years from now.

Boston Consulting Group predicts that by 2025 vehicles with some autonomous features such as highway autopilot or autonomous valet parking will account for 12 to 13 percent of car sales globally, and by 2035 sales of fully autonomous vehicles will account for nearly 10 percent of the market.

Just a few weeks ago an

autonomous car owned by Changan Automobile of China completed a 2,000 km trip from Chongqing to Beijing, part of the company's efforts to produce highly automated vehicles.

In California at least 13 companies have been given permission to test autonomous vehicles. Mark Fields, the chief executive of Ford, said in April that the company is in the process of tripling the size of its test fleet to 30 fully autonomous hybrid sedans. Ford has been in the field for more than a decade, he said, and has proven its autonomous vehicles can work "flawlessly" in the dark.

are likely to be on the road by 2021 or 2022.

"You already have Google cars that are reasonably autonomous in San Francisco, and there are also experiments in Tokyo and Singapore."

New-energy vehicles, including pure electric ones and plug-in hybrids, are already part of people's daily lives in many countries, and experts believe they will eventually overtake or even replace petrol-driven ones.

The US company Tesla delivered 14,820 cars in the first quarter worldwide, up about 50 percent year-on-year, and aims to deliver 80,000 to 90,000 cars this year.

New-energy vehicles are thriving in China. Nearly

91,000 new-energy vehicles were sold in the first four months of this year, 131 percent more than in the corresponding period last year, the China Association of Automobile Manufacturers says.

At the recent Beijing motor show, new-energy models accounted for more than 10 percent of all cars displayed.

Traffic authorities in Beijing say that nearly half the city's license plate quota for electric cars for this year were used up by the end of April, indicating local residents' growing acceptance of new-energy vehicles.

Public data show that major Chinese car makers have made new-energy vehicles one of their strategic objectives in the next five years, and international ones are bracing themselves to get a decent share of the market.

take advantage of the big technological trends ourselves," Muller says.

**“The best way to predict the future is to shape it.”**

Harald Krueger, chairman of the board of management of BMW AG



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COMMENT | YALE ZHANG

## Racing ahead in three decades

China's auto industry officially started in 1955 when First Auto Works, or FAW, was established in Changchun, Jilin province. That year, it produced 65 trucks. Even 30 years later, in 1985, China produced 443,000 units — about one week's production volume in the United States for the same year.

Typically at that time, automobiles were regarded as "production goods" instead of "consumer goods". Although China established two auto joint ventures — Beijing Jeep and Shanghai Volkswagen — in the mid-1980s, there were no individual purchases.

Notably, the retail price of the VW Santana-B2 was around 200,000 yuan in 1985, when a seasoned worker or an engineer drew a typical monthly salary ranging from 30 to 50 yuan.

Nevertheless, the famous "market in exchange of technology" policy saw the establishment of more joint ventures in the 1990s, including FAW-VW, DPCA, Changan Suzuki, Guangzhou Honda and Shanghai GM.

Production volume began to pick up steadily after 1985, and by the end of 1992 it finally exceeded 1 million units. China joined the World Trade Organization in 2001 and to compete with imported products, car makers launched more locally produced models and started to lower retail prices to more affordable levels. As a direct result, the car market surged in 2002 and 2003 by 62 percent and 83 percent.

Seeing the boom after 2002, many other international majors formed joint ventures in China, including Toyota, Nissan, Mazda, Hyundai, Mercedes, BMW, Ford and Fiat-Chrysler.

It took China 37 years to hit the 1 million unit mark by 1992, and then another 8 years from 1 million to 2 million units. After 2001, China's auto industry began its astonishing journey of average 1.5-1.6 million incremental volume per year. By 2009, China surpassed US auto production and sales, and became the No. 1 market in the world, with sales of 13.8 million automobiles.

Also after 2002, China's new local brands emerged with Chery, Geely, Great Wall and BYD competing at the low end and quickly capturing a sizeable market share.

In 2015, China produced and sold 24.5 million automobiles, almost 7 million more than the second-largest market, the US, and the market is still growing at around 1 million units per year. China's vehicle penetration hit 98 units/1,000 people by 2015, still much lower than 800 vehicles/1,000 people in the US.

Though the vehicle population in coastal large cities has become saturated, more inland consumers can afford passenger cars and it is expected that the market will still grow at 5-6 percent in the next five years.

The author is managing director of Automotive Foresight (Shanghai) Co Ltd.

“The best way to predict the future is to shape it.”

Another thing that car makers agree on is the necessity of onboard connectivity, which they say will alter the automotive industry.

If the automotive industry does not want to run the risk of having its status downgraded to that of a hardware supplier, we have to make sure we

take advantage of the big technological trends ourselves," Muller says.

William Li, founder of NextEv, a Chinese startup aspiring to make electric and smart supercars, says connectivity is something carmakers have to provide to meet the demands of a customer base that grew up in the age of the internet.

Harald Krueger, chairman of the board of management of BMW AG, says: "Our technologies will learn to learn from people. And connectivity is becoming second nature."