

Monthly Report

Topics from China; August-2022

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Policy and Regulation

MIIT: Implementation Plan for Carbon Peaking in the Industrial Sector

On August 1, the Ministry of Industry and Information Technology (MIIT), jointly with the National Reform and Development Commission (NDRC) and the Ministry for Ecology and Environment (MEE), released an implementation plan to promote green growth in the industrial sector in a bid to help the country meet the carbon peak goal.

The plan unveils **the overall objectives** from a macro point of view:

- By 2025, the energy consumption per unit of added value of industrial enterprises above designated size will drop by 13.5% compared with 2020, the decline in carbon dioxide emissions per unit of industrial added value will be greater than that of the whole society.
- By 2030, a modern industrial system featuring high efficiency, greenness, recycling, and low carbon will be basically established, ensure that industrial CO2 emissions peak.

Efforts will be made to promote the optimization and upgrading of industrial structures, curb the blind development of low-level projects with high energy consumption and high emissions, and develop green and low-carbon industries, the plan notes.

Among the **key tasks** of the plan, it is mentioned in the in-depth adjustment of the industrial structure to optimize the production capacity scale of key industries, revise the industrial structure adjustment guide catalog. Strictly implement the production capacity replacement policy in steel, cement, flat glass, electrolytic aluminum, and other industries, strengthen the analysis, early warning, and window guidance of overcapacity in key industries, and accelerate the resolution of excess capacity.

For **the automotive industry**, the plan points out that by 2030, the proportion of vehicles powered by new energy and clean energy will reach about 40 percent of total new vehicles, and the carbon dioxide emission intensity of passenger cars and commercial vehicles will decrease by 25 percent and 20 percent respectively compared with 2020. Besides, it's also noted that the digital technologies will be further

leveraged to empower the green and low-carbon transformation of the industrial sector, with a faster pace in the application and promotion of digital low-carbon solutions.

Targeted at the 30/60 strategy, following the central documents of "Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy" and "Action Plan for Carbon Dioxide Peaking Before 2030", this release is regarded as another "N" from the industrial sector of the "1+N" top-down decarbonization system of China.

The automotive transformation cannot succeed without the predictable governmental systems, especially when decarbonization extends to the entire life cycle of the vehicle. Therefore, the VDA always advocates the targets and policies' consistency among different ministries and between central and local governments to avoid overlapping requirements.

MoT: Guidelines for Transportation Safety Services for Autonomous Vehicles (Trial) _Draft for Comments

On August 8, the Ministry of Transport (MoT) officially released the "Guidelines for Transportation Safety Services for Autonomous Vehicles (Trial)" (hereafter "Guideline") to solicit the public comments until September 7, which is proposed to adapt to the development trend of autonomous driving technology, encourage and regulate the application of self-driving cars in the field of transport services, on the premise of being safe and law-abiding.

The **application scope** is specified to the autonomous vehicles:

- Operated on publicly accessible roadways, e.g., expressway, urban road, etc.
- Engaged in the road transport systems, e.g., urban bus, taxi, and other passenger or freight transport.
- Capable of performing all the dynamic driving task (DDT) under the operational design condition (ODC), including conditionally automated driving, highly automated driving, and fully automated driving, namely the SAE level 3 and above (L3, L4 & L5).

The Guidelines explicitly encourage **the earlier application in some scenarios** with relatively simpler traffic condition, including:

- The express urban bus system running within the closed lane.
- The autonomous taxi in limited areas of controllable risks.
- The freight transportation, excluding dangerous goods, of the point-to-point routine on the arterial road.

The Guidelines also propose to **stipulate the primary requirements** to the service operator, vehicle, and personnel:

- The operator shall be legally registered, licensed, and qualified.
- The vehicle shall meet the related technical standards, and be legally registered, licensed and insured with the third-party liability insurance amounted not less than 5 million RMB.
- The L3 and L4 vehicle shall be seated with the driver and the L5 vehicle shall be equipped with the remote driver or safety supervisor. The personnel shall be trained with the qualification, knowledge, and related ability to deal with the potential emergency.

Besides, some other systems are required from the administrative perspective to ensure operation safety, especially by mentioning the **vehicle dynamic monitoring system**, which is to record, store, and transmit the related data concerning vehicle operation to the transportation authority. The data is specified to cover 90s before and 30s after in the event of an accident or automated driving system failure - this is deemed as a rather stringent technical requirement for the vehicle data recording system, and much above the thresholds of other related international and national standards, according to the VDA.

This is regarded as another meaningful progress of the national framework with regard to the promotion of driving automation, nevertheless. It is widely believed that the transportation scenarios as listed above, with limited corner cases, could be more feasible and expectable for the application of autonomous driving technologies. The Guidelines put forward by the MoT initiate a very positive beginning of the governmental frame to ramp up the commercialization of the ICV.

State Council: China to Extend NEV Purchase Tax Exemption to End of 2023

On August 18, at the State Council executive meeting chaired by Premier Li Keqiang specified measures to lower financing costs for businesses and consumption credit costs for individuals, and to increase assistance for those in difficulty, so as to step up financial support for the real economy. Thereinto, the continuation of the vehicle purchase tax exemption for new energy vehicles (NEVs) was included.

The policy was initiated in 2014 to foster NEV sales. To spur NEV consumption and green development, the meeting said that **the vehicle purchase tax exemption for NEVs, which has already been extended twice and is due to conclude at the end of this year, will be extended to the end of 2023**. The tax stands at 10 percent of a vehicle's sticker price, and it is estimated that its continued suspension is to waive 100 billion yuan of taxes.

Besides, the NEV favorable measures package also includes:

- China will vigorously build charging piles, NEV parking lots, and other supporting facilities.
- The country will establish a more comprehensive mechanism by using a market-based approach to promote the NEV OEMs' survival of the fittest.
- Local governments will also be required to issue extra license plates for NEVs, and such vehicles will continue to be exempt from ban-days in big cities.

China started to subsidize the NEV sector in 2009. Thanks in part to financial stimulus, the country became the largest NEV market in 2015 and has since held that title for seven years in a row. A growing number of models and improved charging infrastructure have made the NEV a serious choice for car buyers. The State Council's latest package of moves will ensure the sector continues its upward momentum.

MNR: Promote the Development of Intelligent and Connected Vehicles and Maintain the Security of Surveying and Mapping Geographic Data

On August 30, the Ministry of Natural Resources issued a notice on promoting the development of Intelligent and Connected Vehicles and maintaining the security of surveying and mapping geographic information (hereafter "Notice"), to clarify the responsibilities and liabilities of the related stakeholders in the ICV field, concerning the activities involving geographic data.

The Notice specifies the application and implementation issues of the relevant laws, regulations, and policies from the following aspects:

- **Scope of surveying and mapping activities**

The surveying and mapping activities are defined as: the collection, storage, transmission, and processing of surveying and mapping geographic information data (including spatial coordinates, images, point clouds and their attribute information) of the vehicle and its surrounding space and road facilities, by the ICV installed with sensors such as satellite navigation and positioning modules, cameras, and lidars, during the operation, service, and road testing. Meanwhile, the manufacture, integration, and sales of sensors and ICVs are excluded.

- **Liable subjects of surveying and mapping activities**

Those, who collect, store, transmit and process the geographic data are the main executor of the surveying and mapping activities, shall abide by the relevant laws and regulations and take corresponding responsibilities. Namely, the liable subjects are vehicle manufactures, service providers and some automated driving software developers, not the driver or other passengers who obtain the ICV related services.

- **Qualification for surveying and mapping activities**

The domestic enterprises shall obtain the surveying and mapping qualifications or entrust a third party with the qualifications, to conduct the related activities.

The foreign-invested enterprises can only entrust a third party with the qualifications to conduct the related activities, which is according to the provisions of the "Special Administrative Measures for Foreign Investment Access (Negative List) (2021 Edition)" that surveying, and mapping activities are one of the prohibited areas for foreign investment.

- **Export of surveying and mapping geographic data**

Enterprises that are currently providing ICV services, if transmitting relevant spatial coordinates, images, point clouds and their attribute information and surveying and mapping geographic information abroad, should strictly implement the relevant national laws and apply for the related safety assessment and approval, e.g., Data Export Security Assessments. Before that, the data transmission should be stopped.

The notice is released by following the "Surveying and Mapping Law", "Data Security Law" and other related laws and regulations, to strengthen the supervision of surveying and mapping activities and the use of geographic data. The ICV industry shall always be developed on the premise of maintaining national data security.

CAC: Guidelines for Data Export Security Assessments

On August 31, the Cyberspace Administration of China (CAC) announced the publication of the first edition of "Guidelines for Data Export Security Assessment Declaration" (hereafter "Guidelines"), which were developed to assist data processors comply with the "Measures for Data Export Security Assessment" (hereafter "Measures") which enter into effect from September 1, 2022.

In particular, the Measures provide an effective data transfer mechanism under Article 38(1) of the Personal Information Protection Law (PIPL) for critical information infrastructure operators (CIIOs) and organizations that meet the threshold of the CAC.

The Guidelines at first clarify that the Declaration will be submitted to the provincial-level cyberspace administration authority and reiterate **the applicable scope** of Data Export Security Assessment Declaration:

- Data processors providing "important" data overseas.
- CIIOs and data processors that process PI of more than 1 million people providing PI overseas.
- Data processors that have transferred the PI of over 100,000 people or the "sensitive" PI of over 10,000 people overseas since January 1 of the previous year.
- Other situations required to declare data export security assessment as stipulated by the CAC.

Further to the above, the Guidelines also **define Data Export** as the circumstances where:

- Data processors transmit the data collected and generated in domestic operations for storage overseas.
- Information generated and stored in China, and it is accessed, retrieved, downloaded, and exported by translations or individuals abroad.
- Other behaviors stipulated by the CAC.

More specifically, the Guidelines outline that where to submit a data export security assessment, how long the whole process to take, and what relevant materials to be included. Among the whole list, a photocopy of the legal representative's ID card, a declaration of data export security assessments, and the contract and other legally binding documents.

Furthermore, the Guidelines also provide copies of the relevant forms required to be submitted, namely a template of the data export self-assessment report, and additional clarifications concerning questions presented in each form.

Standardization

Standard Drafts for Public Comments

In August 2022, CATARC released following drafts of standard for comments:

NO.	Name	Release date	Deadline for comments
1	GB/T XXXX-xxxx Intelligent and connected vehicles - technical requirements and test methods for combined driver assistance system - Part 1: single-lane maneuver	2022-08-23	2022-10-22
2	GB/T XXXX-xxxx Intelligent and connected vehicle - Technical requirements and testing methods for combined driver assistance system - Part 2: Multi-lane maneuver	2022-08-23	2022-10-22

In August 2022, WTO official website released following drafts of standard for WTO/TBT comments:

NO.	Name	Deadline for comments
1	GB/T 26134-xxxx Roof crush resistance of passenger cars	2022-10-22
2	GB 17354-xxxx Front and rear protective devices for passenger cars	2022-10-22
3	GB 14166-xxxx Safety-belts and restraint systems for occupants of power-driven vehicles	2022-10-22
4	GB 14167-xxxx Safety-belt anchorages, Restraint systems anchorages for occupants of power-driven vehicles	2022-10-22
5	GB 27887-xxxx Restraining Devices For Child Occupants of power-driven Vehicles	2022-10-22
6	GB 15740-xxxx Protective device against unauthorized use of motor vehicles	2022-10-22
7	GB XXXX-xxxx General technical requirements for software update of vehicles	2022-10-22

Official Publication of Standards

In August 2022, SAC released following standards:

NO.	Name	Release date	Implementation date
1	GB 16897-2022 Structure, performance requirements and test methods of brake hose	2022-08-31	2023-01-01

SAC/TC114/SC34 ADAS & AD WG Meeting in Qingdao

On August 26, the 15th ADAS Series Meeting of ICV Sub-Committee of National Technical Committee on Road Vehicle (SAC/TC114/SC34) was held in Qingdao with the participation of OEMs and suppliers. The summary and planning were reported by the representative of SC34. It was summarized that there were in total 13 standards officially published, 10 protocols examined and approved, and 23 projects newly kicked off plus 10 pre-research projects which remarked the ICV standardization system establishment has achieved a phased result.

VDA China is closely monitoring the standards' status under SC34 together with members. Regular meetings will be held to synchronize the progress of standard drafting and evaluate the technical challenges.

The 1st WG Meeting of TC11 in 2022 in Nanning

On August 30, TC11 WG meeting was held by CNCA in Nanning. The homologation authority introduced below topics respectively:

- CCC annual report and summary by CQC
- ICV functional safety research by CAQC
- GB/T voluntary certification on ICV by CAERI

Secretariat of TC11 led the discussion on adoption of standards for CCC whole vehicle certification rule, Topics of ADAS standards and GB/T Cybersecurity of on-board information interactive system are the key focus by OEMs. However, there is no conclusion yet about the adoption of new standards in the meeting. VDA China will continue monitoring the progress of TC11 and organize internal discussion to keep information transparency.

Automotive Industry Topics

World New Energy Vehicle Congress 2022

From August 26 -28, the World New Energy Vehicles Congress 2022 themed “Carbon Neutrality, Electric Mobility, Global Cooperation” organized by China Society of Automotive Engineers (China SAE) was held in Beijing and Haikou.

The consensus of WNEVC 2022

In the context of new missions and new trends of industrial development, the major stakeholders from the global automotive industry all gathered in the conference, exchanging insights, and sharing new technologies, in the end the following consensus of joint actions were reached and released:

- Promote the comprehensive electrification of automotive industry
- Accelerate the green and low-carbon transformation of commercial vehicles
- Establish the safe and stable automotive industrial and supply chain
- Improve the alignment of carbon management systems in automotive industry
- Make full use of synergetic benefits of the integration of automobile and intelligent energy, intelligent transportation, smart city

As one of these highlights of the Congress, the theme exhibition: Sino-German New Energy Automobile Industry Cooperation and Development Achievements was also shown on-site.

Sino-German Forum on Cooperation and Development of New Energy Vehicles within WNEVC on August 26, Beijing

On August 26, co-organized by the VDA, China Society of Automotive Engineers (China SAE), China Centre for International Science and Technology Exchange (CISTE), the 3rd Sino-German Forum on Cooperation and Development of New Energy Vehicle was successfully held during WNEVC in Beijing.

Themed on "Sustainable Development of German and Chinese Automotive Cooperation", the address speeches from the Chairman WAN Gang, the former Chinese Ambassador to Germany Mr. SHI Mingde, and Ms. Hildegard MUELLER, President of VDA looked back the remarkable success of German-Chinese automotive cooperation frame, as well as stressed the greater significance of meaningful dialogue between Germany and China nowadays than ever.

In the Keynote Speech Section, moderated by Mr. ZHANG Lin, the Vice President of VDA China, Mr. Jochen GOLLER, President & CEO of BMW China, Mr. Stefan MECHA, CEO of Volkswagen Passenger Cars Brand for China, Mr. Olaf SCHICK, CFO of Daimler China, Mr. Klaus ROSENFELD, CEO of Schaeffler AG and Mr. WANG Deping, Vice President of FAW, Mr. CHEN Shanghua, CTO of Beijing EV shared their vision on decarbonization, electrification, digitalization, and also the exclusive strategy for the Chinese market.

During the panel discussion, Mr. LI Yin, President of Bosch Cross-domain Computing China, Mr. Davy ZHANG, President of Webasto China, Mr. Meng Xiangfeng, Chairman assistant of CATL and Mr. ZHANG Qiang, Chairman of SemiDrive shared their practices to promote the green and low-carbon transformation and the cooperation between China and Germany has expanded.

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