

Report

from China; April-2022

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Facts and Figures

International Passenger Car Markets March 2022

New Passenger Car Registrations/ Sales

	Mar. 22	+/- in %	Jan.-Mar. 2022	+/- in %
Europe (EU27, EFTA & UK)* ¹⁾	1,127,100	-18.8	2,753,300	-10.6
European Union (EU27)* ¹⁾	844,200	-20.5	2,246,000	-12.3
W. Europe (EU14, EFTA & UK) ¹⁾	1,023,200	-19.6	2,479,400	-11.2
New EU Countries (EU13)* ¹⁾	103,900	-10.2	273,800	-4.8
USA** ²⁾	1,246,300	-22.0	3,281,200	-15.8
China ³⁾	1,819,800	-1.2	5,455,400	8.6
Japan ⁴⁾	426,400	-16.5	988,700	-17.4
Russia** ⁵⁾	-	-	277,300	-29.0
India ⁶⁾	279,500	-3.9	920,700	-1.4
Brazil** ⁷⁾	135,400	-23.7	375,500	-24.7

Source: 1) ACEA 2) Wards Intelligence 3) CAAM 4) JAMA 5) AEB 6) SIAM 7) ANFAVEA

* without Malta

** Light Vehicles

In the first quarter of this year, most of the international automotive markets have recorded significant declines. Restrictions along the automotive value chains continue to determine the supply situation on the automotive markets.

In the European passenger car market, 2.8 million new vehicles were registered in the period from January to March, about 11 percent fewer than in the same period last year. The five major European individual markets were all in the red: while single-digit declines were recorded in the UK (-2 percent) and Germany (-5 percent), the reductions were more intense in Spain (-12 percent), France (-17 percent) and Italy (-24 percent). In March, 1.1 million new passenger cars were registered in Europe, almost 19 percent less than in the same month last year.

In the USA, light vehicle market (passenger cars and light trucks), 16 percent fewer vehicles were sold in the first quarter than in the previous year. Sales of light trucks (-14 percent) were somewhat less weak than sales of passenger cars (-22 percent). In March, the market volume was 1.2 million light vehicles - 22 percent less than in March of the previous year.

Contrary to the international trend, the Chinese passenger car market grew slightly in the first three months of the year: 5.5 million new vehicles were sold, an increase of almost 9 percent. In March, however, sales fell by 1 percent to 1.8 million passenger cars in the wake of renewed Corona lockdowns.

In Japan, sales of brand-new passenger cars have fallen by 17 percent in the year to date, to a volume of 1.0 million vehicles. In March, sales of 426,400 passenger cars were 16 percent below the previous year's level - it was the ninth month in a row with a negative growth rate.

Elektro International March 2022

New Electric Car Registrations in the Most Important Markets Jan.- March. 2022

	Electric registrations / sales (YTD)	Change YTD vs. Previous year (2022 vs. 2021)	Change Mar. 2022 vs. Mar. 2021	Cumulative new registrations / sales since January 2010	Electric proportion of 2022 YTD	Electric proportion of 2021 YTD	Electric market share of German Brand 2022 YTD	Electric market share of German Brand 2021 YTD	German Brand market share in the total car market 2022 YTD*
Germany	151.545	6%	-6% 📉	1.536.395	24,2%	21,8%	58%	71%	69%
France	74.466	21%	9% 📈	791.057	20,4%	14,0%	25%	30%	26%
UK	95.111	60%	39% 📈	851.808	22,8%	14,0%	38%	38%	44%
Italy	28.230	-5%	-30% 📉	265.255	8,3%	6,6%	37%	37%	34%
Netherlands	22.511	84%	86% 📈	419.650	28,7%	15,2%	43%	47%	42%
Norway	29.141	-2%	15% 📈	614.671	90,1%	82,0%	38%	34%	41%
Sweden	37.106	15%	-10% 📉	384.743	53,2%	35,6%	35%	35%	39%
EU+UK+EFTA	563.928	24%	10% 📈	6.032.591	20,5%	14,8%	43%	50%	46%
USA (LV)	193.878	59%	41% 📈	2.507.385	5,9%	3,1%	8%	12%	8%
Canada (LV)	25.328	62%	6% 📈	309.988	7,5%	4,1%	8%	10%	10%
China	1.207.461	141%	117% 📈	9.140.514	22,1%	10,0%	3%	7%	20%
South Korea	23.171	131%	123% 📈	243.052	7,2%	2,7%	24%	45%	14%
Japan*	18.996	56%	41% 📈	391.403	1,9%	1,0%	12%	9%	4%

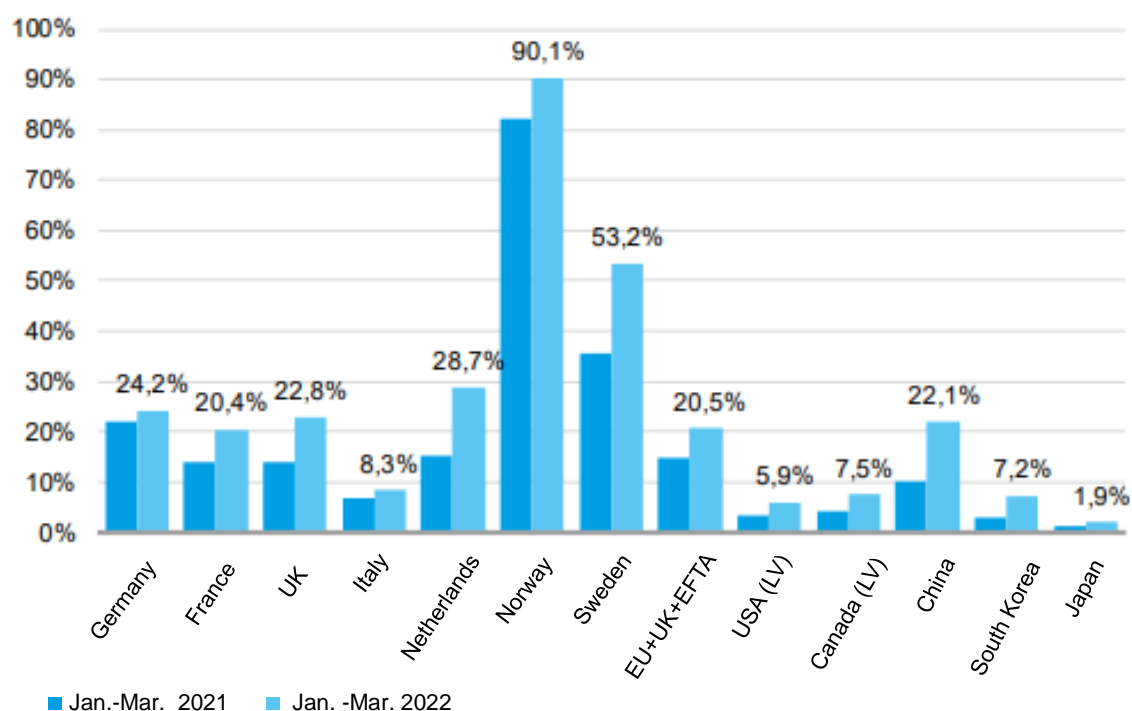
* Japan Feb. 2022

Source: KBA, Ward's, Fourin, IHS

With 1.207 million newly registered e-cars (+141 percent) in the first quarter, China is ahead of the curve as the most important e-market worldwide. Europe (EU+EFTA+UK) comes up overall 564 thousand units (+24 percent). The USA ranks behind with 194,000 sales (+59 percent). Germany follows with 152 thousand sales (+6 percent). The other major European markets record up to Italy (-5 percent) and Norway (-2 percent). The Netherlands (+84 percent) is the most dynamic, ahead of the UK (+60 percent) and France (+21 percent).

The electric market shares of the German brands decline in most countries over the course of the year. In Europe the market share loses 7 percent and now reach 43 percent. It decreases in China to 3 percent, in Canada to 8 percent, in South Korea even plunge by 19 percent to 24 percent (PHEV decreases). Exceptions are in the UK and Sweden, where market shares are stable, Norway (up 4 percent to 38 percent) and Japan (up 3 percent to 12 percent).

Electric Share in the Overall Passenger Car Market (Jan.- Mar. 2021 vs Jan.- Mar. 2022)



When it comes to the electric share in the overall market, the proportion of e-cars in Norway now exceeds 90 percent. The second place for the share of e-cars is Sweden with 53 percent, which is followed by the Netherlands (29 percent), Germany (24 percent), UK (23 percent), China (22 percent) and France (20 percent).

BEV and PHEV new registrations of cars in the most important markets Jan.- Mar. 2022

	BEV* New registrations / sales (YTD)	Change YTD vs. Previous year (2022 vs. 2021)	Change Mar. 2022 vs. Mar. 2021	Share of BEV to electric YTD	PHEV* New registrations / sales (YTD)	Change YTD vs. Previous year (2022 vs. 2021)	Change Feb. 2022 vs. Feb. 2021
Germany	83.672	29%	15% 🐾	55%	67.771	-13%	-23% 🐾
France	43.505	43%	27% 🐾	58%	30.957	-1%	-11% 🐾
UK	64.161	102%	79% 🐾	67%	30.946	11%	-9% 🐾
Italy	11.294	-15%	-39% 🐾	40%	16.936	4%	-22% 🐾
Netherlands	12.426	174%	163% 🐾	55%	10.073	31%	24% 🐾
Norway	26.800	40%	62% 🐾	92%	2.338	-78%	-78% 🐾
Sweden	19.720	286%	250% 🐾	53%	17.384	-36%	-56% 🐾
EU+UK+EFTA	325.454	61%	46% 🐾	58%	238.261	-6%	-22% 🐾
USA (LV)	148.200	62%	42% 🐾	76%	44.645	53%	41% 🐾
Canada (LV)	19.662	53%	-5% 🐾	78%	5.666	105%	75% 🐾
China	960.434	129%	112% 🐾	80%	247.027	203%	143% 🐾
South Korea	17.673	468%	315% 🐾	76%	4.084	-23%	-6% 🐾
Japan	8.191	58%	59% 🐾	43%	10.336	71%	31% 🐾

* BEV = Battery Electric Vehicle, PHEV = Plug-in Hybrid EV

Source: KBA, Ward's, Fourin, HIS

In the first three months, almost all the important BEV markets record double-digit percent growth. The Chinese market clearly dominates with 960 thousand (+129 percent). Europe reaches 325 thousand new BEV registrations (+61 percent). The USA is in the third place with 148 thousand electric light

vehicles (+62 percent). Very high growth rates are recorded in South Korea (+468 percent), where funding is expanded in 2022, as well as Sweden (+286 percent) and the Netherlands (174 percent). Declining figures are found in Italy (-15 percent).

BEVs play a dominant role, especially in non-European markets. The highest share over the course of the year is in Norway (92 percent), China (80 percent), Canada (78 percent), South Korea and the USA (76 percent each).

New registrations of plug-in hybrids in China increases by 203 percent to 247 thousand in the 1st quarter. China remains the world's largest PHEV market, which is just ahead of Europe with 238 thousand (-6 percent). The most important European market is still in Germany, which is recorded a decline of 13 percent to 68 thousand. The USA follows with 45 thousand (+53 percent). Some markets are now showing declines: France, Germany, Sweden, South Korea, and Norway with decrease by 78 percent.

It can be assumed that the relative importance of the PHEV will continue to decrease while more electric ramp-up gains momentum. This also has to do with the fact that these are usually not volume models. Subsidies tend to be reduced, which also plays a role. Plug-in hybrids are particularly popular in Italy, with a 60 percent share of the electric car market, and in Japan with 57 percent. Plug-in hybrids are often the entry-level vehicles in markets who are still at the beginning of electromobility. In the traditionally strong plug-in hybrid country of Sweden, less than half of the e-cars are PHEVs.

Elektro Germany April 2022

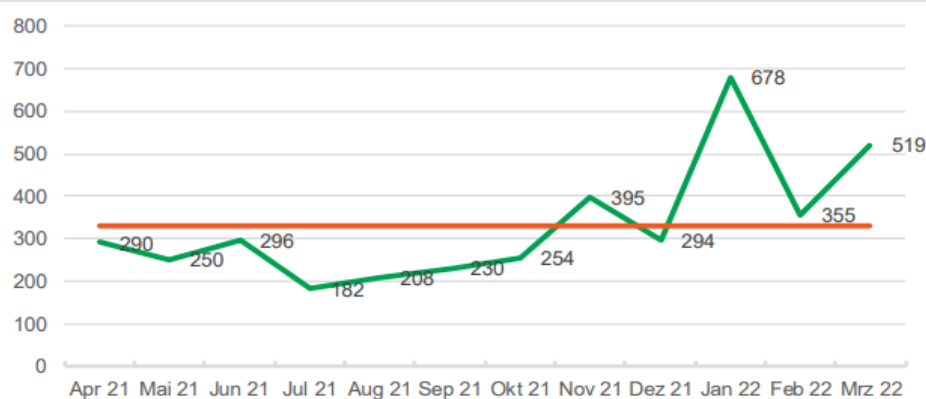
Overview of New Electric Car Registrations Germany

	April 2022	April 2021	22/21 in %	Jan.-April 2022	Jan.-April 2021	22/21 in %	Anteil April 2022	Anteil April 2021	Anteil Jan.-April 2022	Anteil Jan.-April 2021
Elektro gesamt	43.919	50.839	-14%	195.464	193.695	1%	24,4%	22,1%	24,2%	21,9%
darunter										
BEV	22.175	23.816	-7%	105.847	88.510	20%	12,3%	10,4%	13,1%	10,0%
Plug-In Hybrid (PHEV)	21.697	26.988	-20%	89.468	105.035	-15%	12,0%	11,8%	11,1%	11,9%
Zum Vergleich:										
Hybrid (ohne Plug-In)	35.089	37.106	-5%	156.630	138.432	13%	19,5%	16,2%	19,4%	15,6%
dar. Mild-Hybrid	29.942	32.327	-7%	135.785	122.303	11%	16,6%	14,1%	16,8%	13,8%
Erdgas	94	399	-76%	729	1.605	-55%	0,1%	0,2%	0,1%	0,2%
LPG	838	1.028	-18%	5.903	2.329	153%	0,5%	0,4%	0,7%	0,3%
Alternative Antriebe ges.	79.940	89.372	-11%	358.726	336.061	7%	44,3%	38,9%	44,5%	37,9%

Quelle: KBA

The downward trend continues in April with a 14 percent drop in new registrations to 43,919 e-cars in Germany. The semiconductor shortage has led to longer delivery times and the difficult supplier situation due to the Ukraine war is also having a slowing effect. For the first time since 2016, both BEV new registrations (-7 percent) and PHEV (-20 percent) are decreasing. The proportion of electric vehicles reaches 24.4 percent in April (March: 25.6 percent, same month last year 22.1 percent).

New publicly accessible charging points per week (including late-reported registrations)



— 12-month average

Source: BNetzA

Till April 1, 2022, 58,926 charging points (of which 8,723 were rapid charging points) were registered with the Federal Network Agency (BNetzA) in Germany. For detailed info, please refer to [Link](#).

With an estimated total of 1.315 million e-cars till April 1, 2022, there are still 45 charging points for 1,000 e-cars (or 22 e-cars per charging point). In March, the BNetzA reported an additional 2,300 charging points, which corresponded to 519 charging points per week, including late-reported registrations.

The rate of expansion is leveling off at a good 500 charging points per week. The development at the current edge is difficult to quantify. The 12-month moving average is now 330 charging points per week and is expected to continue to rise. To reach 1 million in 2030 would require building around 2,000 charging points per week. To achieve this, the expansion rate would have to be increased sixfold.

Policy and Regulation

Central Committee of the CPC & State Council: Guideline on Accelerating the Construction of a Unified National Market

On April 10, the Communist Party of China Central Committee and the State Council jointly released a guideline on accelerating the establishment of a unified domestic market that is efficient, rules-based, open and encourages fair competition amid headwinds and pressures from a complicated and grim external environment and resurgent domestic COVID-19 cases.

The guideline underscored and mapped out the key moves:

- Implementing a **unified market access system**, and applying **fair and uniform market surveillance**, to foster a stable, fair, transparent, and predictable business environment and to reduce market transaction costs.
- Accelerating the **interconnectivity of market facilities**, including building a modernized circulation network, improving the exchanging channels of market information, and upgrading the transaction platforms.
- Developing a **unified domestic market of productivity factors and resources**, including land, labor, capital, technology, data, energy, and the environment.
- Promoting **high-level integration of markets for goods and services**, including improve the commodity quality, optimizing standardization and measurement system, improve the quality of consumer services and the protection of consumer rights and interests.
- **Regulating improper market competition** and market intervention by establishment of unified market regulatory rules and comprehensive improvement of the market regulatory capabilities, which calls for strengthened anti-monopoly efforts and crackdown on practices of unfair competition.

Via this guideline and the potential supporting documents, China aims to promote the efficient circulation and expansion of the domestic market and further aims to boost sci-tech innovation and industrial upgrade and cultivate new advantages for participating in inter-national competition and cooperation.

Experts said this marked the country's latest move to deepen market-oriented reforms and inject more dynamism into market entities, which will propel the sustainable growth of both domestic and foreign businesses.

SAMR: Trial Implementation of Sandbox Supervision System on Automobile Safety

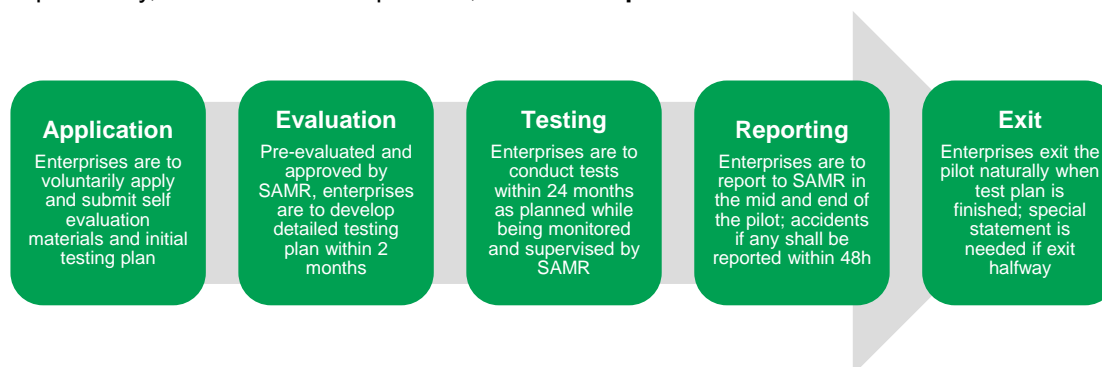
On April 1, the State Administration of Market Supervision (SAMR), together with the Ministry of Industry and Information Technology, the Ministry of Transport, the Ministry of Emergency Response, and the General Administration of Customs, issued the "Notice on the Trial Implementation of Sandbox Supervision System on Automobile Safety ", which is to jointly launch the pilot work of vehicle safety sandbox supervision system, **a mechanism for in-depth safety testing of cutting-edge technologies**, on e.g., electrification, intelligence, and connectivity, **applied to vehicles in the post market stage**.

According to SAMR, the main purpose is to guide enterprises to find problems, improve design and reduce safety risks. As a constructive and beneficial **supplement to the traditional supervision methods**, the automobile safety sandbox supervision changes from passive supervision to active supervision, which is conducive to bring the quality and safety problems caused by forefront technology into the supervision scope earlier, improve the emergency disposal ability, prevent and resolve major risks,

protect the legitimate rights and interests of consumers, encourage enterprise technological innovation and advocate the best safety design practice.

The pilot is firstly started from **the basis of not violating the existing regulations** and the bottom line of related technical requirements and administrative rules, i.e., no matter the enterprise or the product shall at least be approved from the market access perspective, then enterprises are encouraged to voluntarily carry out further tests when they do not fully grasp the product risks, to prevent the product application risks to the greatest extent.

Specifically, below is the work process, where **5 steps** are defined:



From the internal communication of the VDA, most of the enterprises showed great interests, but didn't express the explicit intention to apply for participation at the present stage. As a brand-new supervision system, the VDA and members deem it necessary to further specify the evaluation method, working process, documentation and testing items, as well as the benefits the pilot program will bring out.

MIIT: Instructions of Further Strengthening Construction of New Energy Vehicle Safety System

On April 8, the official "Instructions of Further Strengthening Construction of NEV Safety System" (hereafter "Instructions") was issued by the Ministry of Industry and Information Technology (MIIT), together with the Ministry of Public Security, the Ministry of Transport, the Ministry of Emergency Response, and the State Administration of Market Supervision.

The Instructions cover the requirements from the following perspectives:

- Improve the **safety management mechanism** from both organizational and institutional development.
- Guarantee the **product quality** from product design, suppliers management, production administration and traction battery safety controlling.
- Utilize the **monitoring platform** to supervise the operating status, optimize products via data analysis, and identify the vehicle with potential risks.
- Enhance the **after-sale service** via enhancing service network, improving maintenance capacity, and guiding customers to drive NEVs in a more proper way.
- Establish the sound **incident response system**, including 7*24 emergency response mechanism, investigation and analysis of the causes and further product optimization based on accident analysis, and fulfilling the legal obligation of recall.

With the newly added section compared to the "Draft for Comment" version:

- Improve the security system of cyber space to guarantee the **cybersecurity, data security and personal information protection**.

VDA China organized the internal alignment and formed the comment sheet to MIIT regarding the "Draft for Comment" version in October of 2021. The following general points from the VDA position are still working for the final document. The VDA advocates that

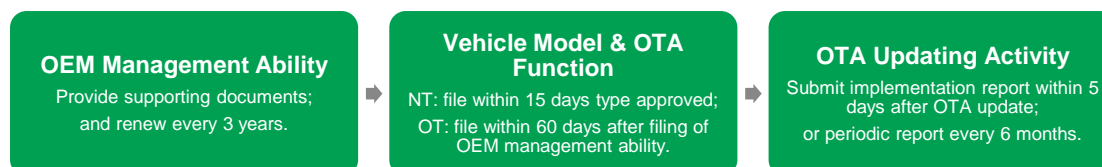
- The harmonized requirements to the import enterprises, avoiding causing unnecessary extra workload.
- The harmonized technical requirements of product quality, in line with the existing standards.
- The integration with the related standards and type approval rules concerning the NEV safety monitoring platform, as well as the technological diversity of the platforms in different enterprises.

MIIT-EIDC: Notification of the Filing Requirements on OTA Updates of Automotive Software

On April 15, the Equipment Industry Development Center (EIDC) released a notification that specifies the regulation on OTA updates, entrusted by MIIT, to further strengthen the administration of automobile manufacture and product market access. It is targeted at the local OEMs due to the remit of EIDC, and their vehicles fitted with OTA function.

In general, it's stated that the OTA updating shall ensure the vehicle in line with all the related legislation and standards and the OEM shall submit corresponding documents before they perform any OTA updates since April 15, 2022.

Specifically, the filing process is required from the following 3 perspectives:



Thereinto, the OTA activities are further classified into 3 levels with different requirements:

- Regarding the updates unrelated to product safety, environmental protection, energy saving, or anti-theft, OEMs can simply conduct OTA after filing.
- Regarding the updates related to product safety, environmental protection, energy saving, or anti-theft, OEMs shall also provide supporting materials; and when it's further type approval related item, OEMs shall apply for type approval renewal or extension.
- Regarding the updates related to L3 and above features, the special approval from MIIT shall be acquired.

VDA China organized the internal meeting to exchange understandings and comments among member companies. It's recommended that the joint venture should take the lead in the EIDC filing, and it will be also inevitable for the headquarter to give technical support, therefore, here are some potential issues of common concern:

- **Implementation timing:** The document was both published and implemented on April 15, with no transitional period, which will impact OEMs' OTA activities planned in the near term.
- **For OEM management ability:** It's not so clear if it's accepted when the "ability" is possessed and proved from the headquarter side other than the local.
- **For vehicle model and OTA function:** How to define the "15 days" after type approval is of different understandings for now, to be further clarified.

MIIT-EIDC: Launch of the Coordination Platform for Automobile Industrial Supply Chains

On April 11, entrusted by MIIT, EIDC released a notification that the coordination platform for automobile industrial supply chains officially launched since the right day, April 11, 2022, to safeguard the automobile industrial chain and supply chain in the difficult times.

Enterprises can register and log in via [the portal](#), after filling the basic information including the unified social credit code

The platform is provided to Chinese enterprises a channel to timely exchange information and issues, e.g., the situation of production suspension/resumption, logistics, and transport, and further to explore the potential solutions together.

Standardization

Standard Drafts for Public Comments

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

NO.	Name	Release date	Deadline for comments	Note
1	GB/T 20234.1- 20xx Connection set for conductive charging of electric vehicles—Part 1: General requirements	2022-04-02	2022-06-01	IEC 62196-1:2014 as reference
2	GB/T 20234.3—20xx Connection set for conductive charging of electric vehicles—Part 3: DC charging coupler	2022-04-28	2022-06-27	Supersede GB/T 20234.2-2015
3	GB/T XXXX-xxxx Road Vehicles-Safety of the Intended Functionality	2022-04-29	2022-06-28	
4	GB/T XXXX-xxxx Road Vehicles-Functional Safety Audit and Assessment Method-Part1: General requirements	2022-04-29	2022-06-28	
5	GB/T XXXX-xxxx Road Vehicles-Functional Safety Audit and Assessment Method-Part2: Concept phase and System level	2022-04-29	2022-06-28	
6	GB/T XXXX-xxxx Road vehicles-Functional Safety Audit and Assessment Method-Part3: Software Level	2022-04-29	2022-06-28	
7	GB/T XXXX-xxxx Road vehicles-Functional Safety Audit and Assessment Method-Part3: Hardware Level	2022-04-29	2022-06-28	

SAC/TC114/SC34 AD WG Meeting

On April 22, the 9th AD Series Meeting of ICV Sub-Committee of National Technical Committee on Road Vehicle (SAC/TC114/SC34) was held online with participants from OEMs and suppliers.

The summary and plan were reported by the representative of SC34. It's summarized that there were in total 11 standards officially published, 13 protocols examined and approved, and 34 projects newly kicked off or under formulation. The work in 2022 lays stress on carrying forward of 3 GB's (DSSAD, Cybersecurity and Software Update) approval. The plans of other standardization projects in 2022 were emphasized, details as below.

- Publicizing meeting for GB/T 40429 Taxonomy of driving automation for vehicles.
- Examination and approval for GB/T ICV General Technical Requirements for AD Systems.
- Verification test for GB/T ICV Simulation for AD Functions.

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.

VDA Weekly Meeting on Pilot of GB CS

VDA China initiated the weekly meeting in March to evaluate the pilot progress and define the real deviation between CATARC GB CS and UN ECE. The weekly meeting has been held for 6 times till the end of April and Cybersecurity Management System (CSMS) demo audit has been finished respectively in different test agencies. The consensus on CSMS has been reached as below.

- The current GB draft is quite acceptable since most of the contents are aligned with ECE R155.
- For the implementation/audit process, VDA members recommend that:
 - ISO 21434 should be used as reference for audit instead of as compulsory requirement, since the scope of ISO exceeds the GB CS, and its role is more for guiding the development.
 - A unified rule or instruction should be formulated to instruct CSMS audit, and those highly confidential documents are only allowed to be reviewed on site by auditor.

VDA Comments on GB/T Data Processing by TC 260

TC260, based in China Electronics Standardization Institute (CESI), is drafting the GB/T Information security technology-Security requirements of automotive data processing to further support and refine the requirements from the Cyberspace Administration of China (CAC) Provisions. The GB/T draft has finished the 2nd round of “draft for comments” from October to December in 2021. Technical requirements are modified and aimed at corresponding to the terms and articles of CAC Provisions, including the requirements on personal information processing, cabin data processing, no collection by default, notification of personal information processing, etc.

On April 27, VDA China received the latest draft for final approval from TC260 for comments and the internal meeting with members has been organized. VDA China exchanged with TC260 regarding to the comments and questions raised by members, while the results are summarized and distributed to members.

VDA China will further communicate with TC260 to access the feedback of the questionnaire list and keep monitoring the standard status.

Automotive Industry Topics

The 21st Round Table of Presidents/CEOs of German Suppliers in China

The 21st VDA Round Table of Presidents/CEOs of German Suppliers in China was held online on April 22, 2022, with participation of over 90 participants from VDA member companies.

Mrs. Hildegard Müller, President of the VDA; Dr. Frank Rückert, Deputy Head of Mission, German Embassy in China; Mr. Andreas Rade, Managing Director of the VDA; Mr. Lin ZHANG, Vice President of VDA China; Dr. Manuel Kallweit, Head of Department Economic Intelligence of the VDA; Mr. Andreas Lukesch, Project Manager Sustainable Supply Chain of Brose, and Mr. Xianghua QIAO, President of Great Wall Motor Europe delivered insightful speeches respectively, and had fruitful exchanges with VDA members on the current challenges of global supply chain.

Mr. Rade presented the survey conducted by the VDA among members to analyze the impact of the war in Ukraine, in which 90% of companies claimed that the war has an impact on their business: Steel, Aluminum and Gas are still the focus regarding security of supply. Compared to the first survey held at the beginning of March the situation regarding the procurement of raw materials has not been changed significantly or even deteriorated according to most of the companies. Mr. ZHANG presented the results of two surveys VDA China conducted among members in China regarding their business forecast, the status quo of the implementation for legislations including cybersecurity, data security, carbon neutrality and German Supply Chain Act, as well as the impact of COVID-19.

All the speakers emphasized that China is of great importance to German automotive industry, amidst today's challenging market environment, it is more necessary than ever to strengthen international communication and cooperation.

VDA China Industry Survey

To help members in China collect the snapshot of the business operation, common challenges are facing, realize compliance measures to take, and further support the pragmatic cooperation in the automotive industry, VDA China conducted the industry survey among members in China from end of March till early April.

The key findings:

- Nearly half of surveyed members still hold confidence in the business growth and investment.
- Regarding the key focus of the industry: e.g., the Cybersecurity and Data security legislation, companies are actively taking measures to fulfill the requirements, however the clear rules, processes, and feasible guidelines from the authorities are still needed.
- In terms of Carbon Neutrality, most of companies are actively pursuing the target, while some of them have already achieved the target ahead of schedule. The future efforts to make shall be in the specific target of automotive industry and coordinated work with related ministries and fields.

- Most surveyed companies in China are not clear or see slight/no influence of German Supply Chain Act on them. Therefore, most of them are in planning phase or have no plan yet to comply with the Act.

VDA Survey: Impact of COVID-19 on VDA Members in China

Since early March, the outbreak of pandemic in China has hit hard to the automotive industry, in particular Changchun, Shenyang, Shanghai and its neighboring cities, of those are also the areas where most of our members headquartered or located in. The damage has spilled over from cities within China to abroad, there are great challenges with regard to supply chain, logistics, import & export etc.

To this end, in order to help members understand the overall situation, VDA China conducted 1st round of COVID survey in early April. **The results showed that even though some of our members are currently managed to bear the damage at low cost by shifting the production to other cities, or securing a production bubble, the challenges are still there, and it is foreseeable that the situation in China, especially in Shanghai will not be eased in short term, challenges are still there.** It is possible that the hit on the automotive industry and the international supply chain this year is severer than 2020.

In late April, local governments issued a series of measures to support the resumption of work, and to overcome the difficulties in supply chain and logistics. **To closely monitor the current situation and further analyze the impact on members, VDA China is planning the 2nd round of the Survey in May.**

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