



SHANGHAI AUTO NEWS

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SAIC Group goes public, sells 4 million vehicles in 2011

Shanghai Industrial Automobile Corporation Group (SAIC), the largest vehicle manufacturing company listed on the Chinese A-share stock market, had a lot to celebrate last year as the company sold 4 million vehicles and went public.

More than 500 people attended a celebratory ceremony held on Dec 30, 2011. Guests included Mayor of Shanghai Han Zheng, Vice-Mayor Ai Baojun and Hu Maoyuan, board chairman and Party secretary for SAIC.

Mayor Han said at the ceremony that SAIC has successfully ridden the boom of the reform and opening up policies and represents the wisdom and diligence of its staff. Han added that the city needs more world-class enterprises like SAIC to achieve its goal of becoming an international metropolis. Looking to the future, Han encouraged the company to establish a modern enterprise system and advance its legal governance structure to qualify as a role model for other State-owned enterprises wishing to go public.

Hu, board chairman for SAIC group, said this year marks a critical transitional year in the 12th Five-Year Plan period (2011-2015). To bolster the city's economic growth, the corporation will shoulder more social responsibilities through continuous technological innovation and strike a balance between economic benefits and energy efficiency.



Han Zheng, mayor of Shanghai, at the unveiling ceremony after SAIC Group gets listed on December 30, 2011.

SAIC sales hit historic high

SAIC Group sold more than 4 million vehicles last year, a 12-percent increase compared to 2010.

SVW, SGM and SGMW all sold more than 1 million vehicles for two consecutive years, keeping an upbeat momentum in the auto industry.

SGM and SVW take top two spots for 2011

SVW sold 1.16 million cars, up 16.42 percent year-on-year. Sales figures from SGM amounted to 1.23 million units, an 18.53-percent increase compared to last year. SAIC's indigenous brands managed to maintain a 1-percent growth rate despite the overall slump in demand and sales of Chinese vehicles.

Despite a major drop in the domestic commercial vehicle market, SGMW sold 1.3 million units last year, up 5.4 percent. Sunwin hit 3,152 units, up 1.74 percent. SAIC-IVECO HONGYAN's sales volume reached 31,500 units, a 3.25-percent increase. NAECO sold 113,827 units, an increase of 3.39 percent.

SVW establishes operations in Ningbo

On Jan 6, Shanghai Volkswagen Automotive Co Ltd (SVW) signed a contract with the city of Ningbo in East China's Zhejiang province to establish a new manufacturing operation in the city.

Ningbo enjoys a great geographic location and is just an 1.5-hours' drive to Shanghai. The plant is located in the new business district in the Hangzhou Bay area and faces the deepwater Yangshan port in Shanghai.

The move underlines a more frequent and cost-effective interaction between SVW's headquarters and its neighboring cities within the Yangtze River Delta Region.

As one of the first vehicle joint ventures in China, SVW has maintained a strong momentum in the past decade. The project is set to be fully operational by 2014 with an annual production capacity reaching 300,000 units.



SVW inaugurated the Zhejiang (Ningbo) Project on Jan 6. The project will begin operations by 2014.

SAIC focuses on future development

A leadership meeting for Shanghai Industrial Automobile Corporation Group (SAIC) to establish a course for future development was held on Dec 30, 2011 at the Shanghai New International Expo Centre.

Hu Maoyuan, board chairman and Party secretary for SAIC group, applauded last year's sales of more than 4 million vehicles. He said all financial indicators are at their historic best. The company realized the industrialization of new-energy cars, and it went public with a total capital stock of 11 billion shares.

Chen Hong, president of the group, pointed out that the biggest challenges ahead lie in the lack of core technical competence and global management experience. He encouraged the company to embark on innovation on various fronts and react to market demand with the fastest possible pace. The goal is to ensure the sales figure reaching a record high this year.

Briefs

SAIC firms receive management awards

Eighteen Shanghai Industrial Automobile Corporation Group (SAIC) projects received the 2011 Shanghai Enterprise Management Modernization Innovation Awards. Among them, "Establishment and enforcement of enterprise knowledge management system" from Pan-Asia Technical Automotive Center Co Ltd and "Creation of management system by home-grown brand suppliers" from SAIC Motor Passenger Vehicle Co won the top prizes.

More than 150 projects were recognized as innovative pieces for modern enterprise management last year. These projects include innovative endeavors in indigenous innovation, manufacturing transition, brand building, energy efficiency and corporate social responsibility.

SAIC establishes investment commission

A special investment commission was set up by Shanghai Industrial Automobile Corporation Group (SAIC) on Nov 24, 2011 to advance the company's capital operating ability.

The commission is composed of senior industry insiders that consult technical issues related to the company.

Chen Hong, president of the corporation, joined 72 guests in attending the event. He said the expert team will help examine the investment projects that SAIC is involved in, and the investment activities can in turn provide an opportunity of "know-how" of the capital market to the specialists.

3 SAIC companies win national appraisal

Three Shanghai Industrial Automobile Corporation Group (SAIC) subsidiary companies were recently named key national high-tech enterprises by the Ministry of Science and Technology and Ministry of Finance.

These companies include Shanghai SIIC Transportation Electric Co Ltd, SDS Shanghai and Shanghai Koito Automotive Lamp Co Ltd. Widely perceived as leaders of their respective industries, the three companies' annual research and development input accounts for no less than 5 percent of the total annual revenue.

New-energy vehicles unveiled

SAIC presented three new-energy vehicles at the China International Green Innovative Products and Technologies Show in November, 2011.

The exhibits include Roewe 750 Hybrid, Roewe E50 Electric car and SH Fuel cell car.

Meanwhile, Chen Demei, vice-president of SAIC, confirmed that the group has developed fuel cell cars, hybrid cars and electric cars in its 10 years of devotion to new-energy vehicles. SAIC will accelerate the deployment of new energy cars by putting the Roewe 750 mild hybrid into operation this year and electric cars and Roewe 550 plug-in hybrid cars to be available for sale next year.

Sunwin wins government bid in Qingdao

Shanghai Sunwin Bus Corporation (Sunwin) won a recent government purchase bid to provide 110 electric buses for Qingdao, Shandong province. The company has already offered 40 such vehicles and the number will total 150. This is another major breakthrough in the electric car industry since the Expo 2010 Shanghai.

SAIC shows off new cars

New vehicles from the Shanghai Industrial Automobile Corporation Group (SAIC) were on display at the 9th China (Guangzhou) International Automobile Exhibition from Nov 21 to 28, 2011.

The Roewe 750 hybrid electric vehicle, Roewe 550, Roewe 350 and W5, a Roewe SUV, have all integrated inkaNet, a smart telematics program, and iVoka, a voice driving software based on cloud technology.

SVW brought 10 new vehicles to the show, including the flagship version of 3.0 V6 DSG,

the New Cross Polo, and the 2012 version of Tiguan. Fabia Scout under the Skoda brand debuted at the show and garnered the most attention.

SGM had 28 vehicles exhibited. During the fair, the plug-in hybrid EV Chevrolet Volt announced its price during the show, the mid-sized sedan Malibu displayed its interiors to the audience, and Cadillac kicked off its service strategy.

SGMW's sedan Baojun also made an appearance at the show.

SAIC's new iVoka software focused at auto show

During the 2011 Guangzhou Auto Show, iVoka, a new cloud voice technology by Shanghai Industrial Automobile Corporation Group's (SAIC) Roewe, brought consumers an incredible driving experience and was well received from the audience.

iVoka is a software that guarantees the smooth interaction between the driver and the car to ensure security and convenience in the journey. The on-site demonstration showed iVoka not only has a voice navigation map, but allows the driver to check weather forecasts, make phone calls, send text messages and do other things through voice command.

iVoka's integrated CAN-BUS system records driving data and consequently ensures security. As a pioneer of human-computer dialogue, iVoka has a similar

function with Apple's Siri program installed on its latest iPhone 4S. But all settings are designed to meet the domestic demand and the human-computer dialogue ensures a pleasant and unique driving experience.

SAIC has made tremendous progress in telematics. It only took the group 19 months to move from inkaNet 1.0, one-button navigation and inkaNet 2.0 to the current voice cloud iVoka. SAIC's Roewe has always dedicated itself to meeting the demands of Chinese consumers in not only the hardware of the cars, but other functions, such as telecommunications, entertainment, information inquiries and more.

The creation of iVoka is a clear demonstration of the innovation abilities of Chinese car manufacturers and their in-depth understanding of local needs.



Passat V6 hits market

The elusive Passat V6, as the new flagship of the 2011 Passat range, made its debut in Sanya, Hainan province on Nov 18, 2011. Two versions of the vehicles, priced at 310,800 yuan and 323,800 yuan respectively, provided would-be customers two more high-end options.

The Volkswagen Passat is a large family car marketed by Volkswagen that has seen six design generations since 1973. Volkswagen extended its range with the launch of the Passat CC, a "four-door coupé" version of the Passat. As a high-end brand, Passat has sold more than 15 million units of cars worldwide.

The new Passat is an upgrade for the brand. While conservatively styled inside and out, the car hits the right notes when it comes to cabin quality. The car combines the oriental aesthetics with cutting-edge German craft. Chrome-ringed gauges, brushed-alloy



dash trims and a finely-upholstered leather steering wheel are some of the highlights. Nappa leather seats and trim complete the picture.

The car is installed with Volkswagen's 3.0 liter VR6 engine, which boasts 184kW and 310Nm. Equipped with a 6-speed dual clutch transmission, it's a smooth free-spinning unit and has no trouble hauling the wagon up to top speed. The throttle response is excellent, allowing the V6 to hit its stride to 3500rpm.

Skoda's Superb Haorui 2012 debuts this month

Skoda's Superb Haorui unveiled eight new pieces in January, providing two colors (golden and blue) for consumers to choose from. Prices range from 171,900 yuan to 243,900 yuan, making it a cost-effective option for buyers.

Targeting medium and high-end customers, Skoda has optimized the Superb Haorui product line. The eight models rely on 1.4 TSI, 1.8 TSI and 2.0 TSI of engines and gear boxes that ranges from 5-speed manual to 7-speed twin-clutch DSG. The series is also equipped with the refreshing and original "TwinDoor"

two-section variable boot opening design.

Its equipment, often seen on luxury cars, include a cutting-edge TSI engine, solar sunroof, fully automated dual-zone air conditioner, PLA automatic parking system, integrated dual high intensity headlamps and an active front steering system.

Skoda has a century-old auto culture, with delicate craftsmanship and quality as its goals to pursue. Data show sales surged 16 percent in the first eleven months of last year, despite the gloomy overall performances of its counterparts.

New Captiva brings more power, practicality

SGM unveiled new versions of Captiva, a compact SUV under the Chevrolet brand. The 2.4 LAT sells at 219,800 yuan while its upgraded 2.4 LAT with map navigation is priced at 225,800 yuan. The launch made the models the most cost-effective SUVs available in the market.

The SUV has quickly grown into the third largest niche market in the passenger car segment, accounting for 13 percent of the market share and enjoying the fastest growth rate.

The diesel offerings won't disappoint you. The new Captiva's turbo-charged 2.4 Litre lightweight Ecotec DVVT engine will be available. The energy-saving 6-speed automatic manual transmission enables 123kW and 230 Nm. Not only is the new diesel unit more powerful, but it generates much lower CO2 emissions, falling below taxation thresholds. Its maximum speed reaches 175 kilometers per hour and it takes only 12.1 seconds to reach 100 kilometers per hour from zero.

The New Captiva models have three rows of modular seating that are as capable of transporting large loads, as they can accommodate up to seven people. With a huge storage space that is able to load 635 kilograms of goods, the vehicle is designed to cater to sporty lifestyles as it performs its daily duties.

Tiguan wins awards for safety measures

As one of the latest breed of compact SUVs, SVW's Tiguan won two prizes recently that highlight its distinctive safety measures.

As an all-terrain vehicle, safety is a key feature. Throughout the new Tiguan, curtain airbags, driver and front passenger airbags, rigid safety cell with front and rear crumple zones, anti-lock brakes and an Electronic Stability Programme are just some of the standard features. Six airbags are installed to provide overall protection to drivers and passengers, while some SUVs only have two to four airbags as their standard features.

The car body uses cutting-edge zinc electroplating technology to prevent the vehicle from corrosion for 12 years. Laser welding stretches 13 meters, largely ensuring the safety of the car.

Cadillac SRX, CTS win top safety ratings

The US National Highway Traffic Safety Administration recently added the 2012 Cadillac SRX, CTS sedan to five-star safety list after testing the vehicles in crash tests. The CTS earned four stars for the rollover test, and five stars in the front and side tests, giving it a score of five stars overall. The SRX received the same results.

MG3 tops safety tests

MG3 from the SAIC Group earned a five-star rating in the C-NCAP car safety tests. The prize was largely attributed to its full score attained in the side tests.



SGMW shows strong results for 2011

Despite the disappointing outlook in the auto industry last year, SGMW managed to sell 1.3 million units, keeping a robust momentum in the commercial vehicle segment.

On the passenger car front, more than 20,000 Baojun 630s were sold in less than four months. This year Baojun 630 will expand its product portfolio by introducing 1.5 VVT and 1.8 VVT engine cars with manual or automatic transmissions. A new plant will begin operation this year with an annual production capacity of 400,000 units.

Soaring oil prices and the expiration of preferential policies forced microvan sales to drop for the first time in April after 27 months of continuous growth. The first six months of 2011 saw SGMW's sales surpassing 648,000 units. Sales of its Wuling Sunshine hit 576,000 units last year. The new compact commercial car Wuling Hongguang quickly won the heart of the market and 200,000 units were sold in one year.

SGMW also increased its presence overseas. By applying a low-cost and high-value business model, the two models, Wuling Hongguang and Wuling Hongtu, have been successful in the Indian market. The company exported 15,298 units of cars last year, doubling the number of 2010.

Film star poses for Cadillac

In her latest film *Dear Enemy*, film star Xu Jinglei joined hands with Cadillac CTS Coupe for its vivid genes, beautiful shape and delicate craftsmanship. The vehicle matches perfectly with Xu's straightforward personality and the unremitting desire to look for the best.

Xu is a famous actress, director and editor in China. In 2006, she became an influential blogger, and, at one time, her blog had the most incoming links of any other blog in any language on the Internet.

Xu touted CTS Coup for its excellent power system and the spacious back seat. "What you drive determines your status, your taste and even your personality. Each design is tailored to one specific demand. A car represents the unique characteristics of the owner," she said.

MAXUS V80 publishes school bus safety white paper

Shanghai Industrial Automobile Corporation Group's (SAIC) commercial vehicle MAXUS V80 released a white paper on the safety of school buses in December, 2011, after undergoing a rollover test, the first of its kind domestically, to appeal to the industry the importance of school bus security.



Frequent school bus accidents aroused nationwide concerns of the safety of these vehicles. MAXUS embodies the profound European technologies and strictly follows the ECE safety standards. It adopted a multi-active safety protection to provide more comprehensive protection for the bus.



SAIC thrives 10 years after nation joins WTO

December marked the 10th anniversary of China joining the WTO. Ten years ago, China's auto market saw merely 2.3 million units sold annually, of which Shanghai Industrial Automobile Corporation Group (SAIC) accounted for 300,000 units. Ten years later, annual sales have reached 18 million units and SAIC accounts for 4 million units. SAIC's sales continue to increase and set new records, and the company has remained a leader for the past six consecutive years. Last year, SAIC sold 3.6 million units, a 13.4-percent year-on-year increase, while the national increase was just 2.7 percent.

In the 12th Five-Year Plan period (2011-2015), SAIC has seen strong results as sales have increased nearly two-fold compared to 2006. From 2001 to 2010, sales soared more than 10 times. As Hu Maoyuan, chairman of SAIC said, after China joined the WTO, SAIC did not suffer any setbacks but instead reached new heights.

Ten years after China joined the WTO, automobile tariffs had dropped substantially. Back then, the total output of more than 100 automotive companies in the nation was less than a multinational company, whereas the domestic car prices were 30 percent higher than the overseas, China's automotive industry faced a huge challenge.

SAIC remained steadfast despite the potential challenges. It initiated 18 research groups to find out the best measures to take after China joined the WTO and designed a series of strategies to enhance the competitiveness. Some of those plans included lowering costs by 5 percent every year to achieve a broad development space. Through efforts like these, SAIC has been able to expand nationally.

In Shanghai, SAIC developed four automobile companies, including SVW, SGM, SAIC and Shanghai Sunwin, to promote the development of Shanghai's economy. It also participated in the strategic restructuring of the domestic auto industry and implemented the business strategy throughout the nation.

SAIC built eight large-scale vehicle bases just outside of Shanghai that account for more than half of its total output.

While mergers and acquisitions can be challenging, they've been important milestones in China's automobile industry. The cooperation between SAIC and Nanjing Automobile was once questioned, however, SAIC has achieved a great success. The total amount of vehicles at the SAIC-Nanjing base reached 400,000 units from 100,000 units, and the sales increased to 40 billion yuan from 10 billion yuan in just four years. Nanjing Fiat, a base that once faced shutdown, has risen sharply after becoming the fourth base for SVW.

Even during the global recession, sales in



Ten years after join the WTO, SAIC has achieved great success through various cooperations.

2009 increased about 57 percent compared to the same period in 2008, which was 13 percentage points higher than the average national growth rate.

Thanks to beneficial strategies, SAIC continuously achieved higher annual output records and became a leader in China's automotive industry. It was ranked eighth in global auto sales in 2010. In addition, it was ranked in the world's Top-500 companies for seven times. Last year SAIC was ranked 151th out of the Top-500 companies, moving up 72 places compared to 2010. SGMW, SGM and SVW are the only three companies in China that are capable of producing 1 million cars per year.

SAIC was aware of the challenges when China first joined the WTO and was able to enhance the core competencies to survive in the market.

SAIC has promoted the development of new energy vehicles and made important progress. One of the most admirable results was during the Expo 2010 Shanghai, where

1,125 new energy vehicles from SAIC operated for 180 days. During the Expo, the cars drove a combined 12 million kilometers and carried 200 million passengers.

Last year, SAIC's new energy vehicles saw more successes with the integrated national fuel consumption standards for cars. The company's independent brands also performed well at the Bibendum Challenge, the world's largest and highest-level new energy vehicle competition.

SAIC and Volkswagen extended the strategic cooperation to a more localized R&D field. They developed the Pan-Asia Technical Center and Shanghai Volkswagen Technology Center and the localized development beat the domestic counterparts.

Baojun, an independent brand vehicle from SGMW was officially listed in August last year and quickly became very popular.

SAIC also introduced Roewe and MG, two high-end brands, to have five major platforms that cover mainstream sedans and SUVs. They created an independent brand devel-

opment and manufacturing system among Shanghai, Nanjing and Britain's Longbridge, which equipped key R&D capabilities for vehicle components.

SAIC's independent brands survived through the financial crisis and sharp declines in growth rates, which has significantly improved brand awareness. This is also an important achievement for Chinese auto brands that wish to enter the European and North American auto markets.

Talent is always a crucial resource for any enterprise, as success lies in the people. SAIC has invested a lot of time and efforts in training core R&D personnel to build its competitiveness.

SAIC currently has more than 14,000 people on its R&D team, which increased about 4.5 times compared to the 10th Five-Year Period (2001-2005).

After China joined the WTO, SAIC decided to transform their strategy by combining advanced manufacturing with modern services. SAIC restructured its business mode and its services was considered as one of the three core businesses for vehicle sales and independent brand development. SAIC also optimized its business pattern, adding new services, including uniform operation in vehicles, parts and logistics, distribution and retail, second-hand cars, consumer services and trade business. At the same time, they continued to succeed in expanding the brand throughout the country.

SAIC hopes to remain competitive through these special strategies. The SAIC Automotive Finance Corporation, based on the modern high-end automotive service chain, owns 2,650 outlets, has more than 25 billion yuan in assets, covers 246 cities and has 622 dealers.

Anji Automotive Logistics Company, which covers the entire chain of automotive logistics business, has more than 3,000 vehicles, 10 transport ships, a wharf and 350 iron carriages that have a transport capacity of up to 5 million cars. In 2010, it accounted for 40 percent of the vehicle logistics business nationwide and became the largest and most competitive automotive logistics business.

Ten years after China joined the WTO, SAIC's services industry developed from "integrated management of non-core business" to one that is expanding the services it offers and restructuring the automotive service industry.

In 2010, SAIC's revenue exceeded 40 billion yuan, which was much higher than other automotive companies.

During the 12th Five-Year Plan period (2011-2015), SAIC will continue to firmly follow its preexisting development strategy. Estimates show that by 2015 the company will see a revenue of up to 60 billion yuan.

10 key words for the auto market in 2011

The slight increase in auto sales last year was a relief to many, but there are still many concerns from last year that will continue this year. Some of the key words from last year may be helpful in assessing the market for this year.

• Deceleration

China's auto market "slammed on the brakes" after seeing a rapid growth in 2009 and 2010, and experienced a sharp decline in growth rate from 32 percent in 2010 to 3 percent in the first 11 months of last year.

• Policy

China's exponential growth in the auto market in 2009 and 2010 was due to the country's favorable policies. After consumer incentives policies were cancelled and car purchase restrictions were launched in first-tier cities, car sales plummeted.

• Inventory

The inventory cycle for distributors increased to 60 days from 40 to 50 days. Stocks for independent brand models were higher in comparison to the joint venture brands, which reached four months. Domestic stocks reached more than 100 million units at the end of November.

• Recall

Car sales from January to November reached more than 13 million units. However, 1.7 million defective vehicles were recalled by Dec 2, 2011, meaning that about 13 percent of the vehicles sold last year were recalled.

• Export

The exportation of Chinese vehicles set new records last year. However, the overall conditions, such as long-term dependence in emerging markets and the low-cost competition model, of the exports are still weak.

• Oil

International oil prices have fluctuated this year, and the public continues to complain about price adjustments. In the past few years, domestic car owners always encounter complicated situations when oil prices rise and fall.

• Warranty

After seven years, the legislative hearing for the "three guarantees for cars" was finally held on Oct 26, 2011. Consumers, dealers and auto manufacturers all attended on behalf of or in support of the guarantees.

• Luxury cars

The only sector that did not see slumping sales last year was the luxury car market. Even though many have doubts about the auto industry this year, they remain confident in the luxury car sector.

• Listing

The news of car enterprises being listed started at the beginning of last year, and car dealers were scrambling to invest in capital markets. However, the continued malaise of the stock market has doubled the risk for car companies.

• New energy vehicles

There are now 54 new energy vehicle models in the domestic market. However, the output of energy-saving and new energy production has only reached only 133 units or less on average of each car company.

New 'catalogue' to be implemented early this year

The State Development and Reform Commission and Ministry of Commerce jointly issued the "Catalogue for the Guidance of Foreign Investment Industries (revised 2011)", which will be implemented from Jan 30. The new "catalogue" included entries encouraging the reduction of restricted and prohibited items. China has a surplus production capacity in industries such as automobile manufacturing, polysilicon and coal chemical, and the catalogue encourages the downscaling of some of these industries.

Multinationals focus on new-energy auto market

Nissan, General Motors, Toyota and other international auto giants have released their schedule for new energy vehicles, and many of their plans focus on China's new energy auto market.

Volkswagen sees significant 'tech leap'

Volkswagen is promoting the application of standardized components, which will help the company save 5 billion euros each year. Bloomberg recently reported that Volkswagen is experiencing the largest technological leap in 20 years.

2011 marks BMW's most successful year in China

Last year was the most successful year for BMW in China, as domestic sales in the first three quarters last year had already exceeded those from 2010. The BMW 5 Series long-wheelbase model will be exported to China in the coming months, and BMW will also expand its distribution network, especially in fourth-tier cities, in order to increase the dealers' network. Currently, BMW has already opened several luxury brand 4S stores in fourth-tier cities in southern China.

Toyota establishes electric car charging stations

Toyota Tsusho Corporation and two Chinese partners have signed an agreement to collaborate on electric vehicle charging areas. In addition to trade flows, Toyota Tsusho is also equally involved in technology development. It has established electric vehicle charging stations and related facilities in Shenzhen and plans to expand to other auto parts domestically.

Honda Fit enters North American market

Honda is ready to export its Chinese Fit model, which is produced in Guangzhou, to its Canadian market. It is the first time for one of Honda's made-in-China products to enter the North American market. *The New York Times* said that due to the appreciation of the yen, Honda began to reconsider its global vehicle distribution strategy.

FAW releases new Oley brand

China FAW's new brand Oley launched on Nov 20 and is targeted for and marketed to younger consumers. The car meets young people's tastes with fashionable elements. The estimated price for Oley will range from 80,000 to 100,000 yuan, and the car will be on the market by March.



FAW-Volkswagen sets up Foshan factory

FAW - Volkswagen Automotive Company launched its Foshan branch with a total investment of about 13.3 billion yuan. The first phase of production capacity will reach 300,000 units, of which the Volkswagen brand and Audi will account for half.

BAIC's first independent engine roll off line

The first engine manufactured by Beijing Automobile Industrial Corporation Group (BAIC) was completed and came off the assembly line, signifying that SAIC is able to manufacture world-class engines after acquiring technology from SAAB Auto Group.

GAG to reach an annual capacity of 3M by 2015

Guangzhou Automotive Group (GAG) hopes to produce up to 3 million units with sales of 40 billion yuan by 2015. GAG also hopes to make new accomplishments in the field of new energy vehicles and energy-saving programs in 2015 and for new energy cars to account for more than 5 percent of total sales.

Dongfeng Nissan establishes new base

Nissan's largest and most efficient vehicle production base began operation in Huadu, Guangzhou, with production capacity exceeding 600,000 units and is able to produce up to 670,000 units. The base is equipped with stamping, welding, coating, resin, assembly and other process technologies.

Changan Auto sells 10 million vehicles

Changan Automobile Company sold its 10 millionth vehicle since 1983, and it is the fourth automotive company to reach that benchmark in China, following the FAW, SAIC and Dongfeng Motor Corporation. "Quality is the process of developing our own brand. Any innovation is equal to zero without a strong technology base," said Xu Ping, the chairman of Changan Auto. He believes that the quality is the fundamental process of brand development.

As a leading company in Chongqing, Changan's rapid development has made a great contribution to Chongqing's old industrial bases. In 2010, Chongqing's GDP reached 780 billion yuan, of which Changan Automobile has reached about 103.6 billion yuan.

Great Wall Motor's Hover SUV sets new record

Great Wall Motors recently sold its 600,000th Hover SUV, and it held a ceremony to mark the occasion at the headquarters in Baoding, Hebei province. Hover is the first Chinese SUV brand to exceed 600,000 units benchmark.

