China made 18.26 million vehicles in 2010

China's vehicle production scale reached 18.26 million vehicles in 2010, an over 30% increase from 2009's 13.79 million units. By maintaining this trend, production scale is likely to reach 20 million units in 2011, entering a domain where no country has ever been before.

Two thousand nine's growth and 2010's surge can be viewed as the result of major stimulative measures and their continued effect. However, the industry widely thinks that dull growth is unavoidable in 2011 due to the end of reduced purchase tax among other stimulants.

According to information collected by FOURIN from various sources, the most common view is that production scale will likely grow by 15% year-on-year to 21 million units.

While China's vehicle export grows at a sluggish pace of less than 600,000 units annually, imports, primarily of luxury cars, will probably expand to 800,000 units. As a result, dependence on domestic demand will intensify, calling into question the maintenance of lasting growth potential in the future.

Beginning of the Electric Vehicle Age

The 12th Five-Year Plan (2011-15) of China, which maps the upcoming path for the nation's economic growth, highlighted electric vehicles (EV) as one strategic industry sector. Its inclusion more or less cements the government's aim to add greater weight toward fostering the EV industry.

From 2008 through 2010, already tens of billions of CNY have been poured into subsidy packages, kicking off the current EV boom. Regulations governing technology for low-speed low-cost EVs said to be introduced in 2012, are seen as aims by the Chinese government to further ignite the EV market.

In this respect, the World Electric Vehicle Symposium and Exposition (EVS25) held in Shenzhen City in November 2010, in a way, served as a dress rehearsal, with the major manufacturers competing to display their respective EV and plug-in hybrid electric vehicle (PHEV) products.

Parking area for demo cars. Toyota displayed the IQ EV and ten Prius PHEVs.

China: Spotlighted HEV/PHEV/EV Models at EVS25

Toyota Prius (HEV)  BYD F3DM (PHEV)  BYD e6 (EV)  Nissan Leaf (EV)  Geely BK-1 (EV)

Toyota Prius (HEV)  BYD F3DM (PHEV)  BYD e6 (EV)  Nissan Leaf (EV)  Geely BK-1 (EV)

<table>
<thead>
<tr>
<th>Model</th>
<th>HEV/PHEV</th>
<th>Mid-Size Executive EV</th>
<th>Standard EV</th>
<th>Low-Cost Low-Speed EV</th>
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<td>Toyota Prius (HEV)</td>
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Distance: Travel distance on one full charge.
About FOURIN
FOURIN, Inc. is a privately-owned research and publishing company specializing in the automotive industry and market with over 30 years of business experience. The company is based in Nagoya, Japan with a branch office in Beijing, China. Our various business reports, written in English, Japanese, and Chinese, are designed for and read by many professionals involved in the global automotive industry.

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Opening statements:

“China’s passenger car market will likely enter from ultra-high-speed growth to high-speed growth period, growth rate in 2011 dropping to 15%.”
(Xu Changming, Director and Senior Economist of the Department of Information Resource Development under the State Information Center)

2009's growth is the result of economic stimulus measures. 2010's growth is fueled by 2009. Dull growth of 2011's vehicle market is inevitable."
(Liu Jinliang, Vice President of Geely Group)

Special Reports
Range from six to 20 pages in length. Some of our recurring topics: Half-year and year-round analysis of production, sales, and international trade of parts and complete vehicles; business performance of key Chinese companies in the automotive industry; analysis of new laws and regulations; new trends in design, product development, safety, sales strategy, cost reduction, logistics, local/regional/national demand and vehicle ownership.

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Reports on manufacturers and products as well as on raw materials, technology, human resources, etc.

Industry/Policy/Market
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Vehicle: Vehicle Production Overview, Vehicle Production and Factory Shipment by Class and Segment, and by Group, Maker and Segment, Passenger Car Production and Factory Shipment by Origin and Brand, and by Maker and Model.
Engine: Engine Production and Factory Shipment by Maker and Type.
Export/Import: Vehicle and Parts Trade (HS/Tariff by Region, Trading Bias and Country), Vehicle and Parts Trade (HS/Tariff by Value) by (Branch), HS Code and Item.
FOURIN obtains production/sales data from CAAM and export/import data from the China Customs. FOURIN is said to be the only worldwide distributor of CAAM data.

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Map of Global Tie-ups of China’s Major Automakers

FOURIN provides in-depth coverage of major motor shows in Asia. See our photograph and video reports on the Taipei Motor Show (Jan. 2010), New Delphi Motor Show (Jan. 2010), Beijing Motor Show (Apr. 2010), Shenzen EVS25 (Nov. 2010) and Shanghai Automechanika (Dec. 2009) by visiting FOURIN’s website at WWW.FOURIN.COM