

China Transport Policy Briefing

The Monthly Update of GIZ in China



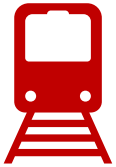
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- ➔ National government sets stricter rules on NEV subsidy requirements
- ➔ NDRC and 23 other departments promote high-quality development of the logistics industry to form a strong domestic market
- ➔ Shanxi, Shaanxi, Guizhou and Gansu Provinces named as focal regions for the promotion of methanol-fuelled cars

On behalf of:



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Abbreviations

EV	Electric Vehicle	电动汽车
LNG	Liquefied Natural Gas	液化天然气
MEE	Ministry of Ecology and Environment	生态环境部
MIIT	Ministry of Industry and Information Technology	工业和信息化部
MNR	Ministry of Natural Resources	自然资源部
MoF	Ministry of Finance	财政部
MoHURD	Ministry of Housing and Urban-Rural Development	住房和城乡建设部
MoST	Ministry of Science and Technology	科学技术部
MoT	Ministry of Transport	交通运输部
NDRC	National Development and Reform Commission	国家发展和改革委员会
NEA	National Energy Administration	国家能源局
NEV	New Energy Vehicle	新能源汽车
NHC	National Health Commission	国家卫生健康委员会
RMB	Renminbi, Chinese currency	人民币
SAMR	State Administration for Market Regulation	国家市场监督管理总局
VAT	Value Added Tax	增值税

1. China's Government Work Report 2019 summarises key working areas in the transport sector

2019中华人民共和国政府工作报告



Read the Policy
(Chinese)

On 5 March 2019, Premier Li Keqiang presented the 2019 Government Work Report at the National People's Congress. Each year, the Government Work Report summarises economic and social achievements from the previous year and the general direction for the current fiscal year. In transport, the 2019 Report reiterates many of the goals set out in policies published previously and names several focus topics, such as digitisation of supervisory mechanisms to track behaviour and digitisation of NEVs. At the same time, the Report emphasises the importance for China to build a strong domestic market, supported by continued NEV subsidies and stable car sales, as well as promoting the expansion of charging and hydrogen fuelling infrastructure. As for investments in transport infrastructure, the Report sets concrete targets: 800 billion RMB (ca. 100 billion EUR) will be invested in railway and 1.8 trillion RMB (ca. 240 billion EUR) in road transport and shipping infrastructure. It furthermore takes aim at regional integration, emphasizing the transport linkages within the Jing-Jin-Ji Region, Xiong'an New Area, Yangtze River Delta, and the area around Hong Kong, Macao, Shenzhen and Guangdong. Motorised transport is again named as one of the three large contributors to air pollution, which shall be significantly reduced, supported by improved parking services and pedestrian zones.

2. New tax cuts: National government reduces VAT again

关于深化增值税改革有关政策的公告

On 26 March 2019 the Chinese government announced to further deepen its VAT reform, effective from 1 April 2019 on, and thus further supports certain key industries with cost reductions. The tax cuts affect a broad variety of industries: The rate of 16 percent in the manufacturing industry is lowered to 13 percent, and the rate of 10 percent in the transportation and construction sector is lowered to 9 percent. These tax cuts are the second VAT reduction within one year and significantly decrease costs for companies that operate in China's key industries.

3. National government sets stricter rules on NEV subsidy requirements

关于进一步完善新能源汽车推广应用财政补贴政策的通知

The Ministry of Finance (MoF), Ministry of Industry and Information Technology (MIIT), Ministry of Science and Technology (MoST) and National Development and Reform Commission (NRDC) on 26 March 2019 set stricter technical requirements for NEV purchase subsidies of passenger vehicles, small busses and trucks. The policy includes stricter requirements for battery density, energy consumption and driving range. For example the minimum driving range of pure electric passenger vehicles eligible for the purchase subsidy increased from 150 kilometres to 250 kilometres and the minimum energy density of batteries increased from 105Wh/kg to 125Wh/kg.

Until 25 July 2019, the subsidies will still partly be paid, if the NEV complies with the requirements of 2018. After this transition phase, no subsidies will be paid for NEVs that do not comply with the new standards. The government's support focus will lie on the improvement of charging infrastructure and service operation. Subsidy changes for fuel-cell vehicles and new energy buses were announced to be issued during the coming weeks.



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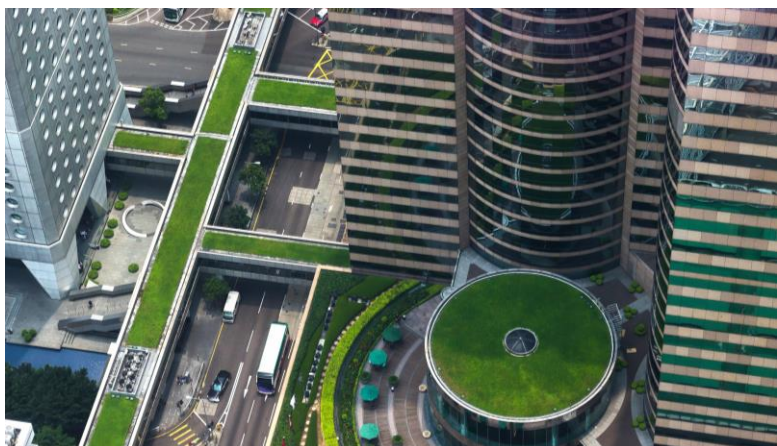


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4. NDRC and 23 other departments promote high-quality development of the logistics industry to form a strong domestic market

关于推动物流高质量发展促进形成强大国内市场的意见



Read the Policies
(Chinese) below

On 1 March 2019, NDRC jointly with 23 other departments issued an orientation guideline which focuses on building a high-quality logistics infrastructure network and on accelerating the development of green logistics. This includes building the first batch of 15 national logistic hubs in municipal cluster regions and increasing the total volume of rail transport to ca. 3.37 billion tons, out of which 2.5 billion tons shall be transported without stopping before the destination. The guideline encourages research on how to increase the use of LNG, trolley buses and electric vehicles and vessels for logistics purposes and demands infrastructure expansion of shore power, LNG fuelling stations, and EV charging stations. The document demands that access regulations favour electric vehicles and light electric vehicles and envisions that a greener development of the logistics sector also includes environmentally friendly approaches to packaging. At the same time, China seeks to develop new logistics services as well as smart logistics by promoting smart trucks and smart warehouses.

5. Green Industry Guiding Catalogue promotes intermodal transport, intelligent transport systems and shore power

《绿色产业指导目录（2019年版）》

On 6 March 2019, NDRC, MIIT, Ministry of Natural Resources (MNR), Ministry of Ecology and Environment (MEE), Ministry of Housing and Urban-Rural Development (MoHURD), Bank of China, and the National Energy Administration (NEA) jointly released an updated version of the ‘Green Industry Guiding Catalogue’. It serves as a guideline for local governments which industries they should support to best contribute to green development and corresponding national strategies. For green transportation, the catalogue lists intermodal transport, intelligent transport systems and shore power amongst others to achieve a sustainable transformation. The catalogue also emphasises the need of closer international cooperation on how to develop and standardise green industries in order to achieve climate protection goals.



Read the Policy
(Chinese)



6. Shanxi, Shaanxi, Guizhou and Gansu Provinces named as focal regions for the promotion of methanol-fuelled cars

关于在部分地区开展甲醇汽车应用的指导意见

Aiming at a diversification of fuels, MIIT, MoST, NDRC, MEE, Ministry of Transport (MoT), National Health Commission (NHC) and State Administration for Market Regulation (SAMR) on 19 March 2019 jointly promoted the use of methanol-fuelled cars. The name Shanxi, Shaanxi, Guizhou, and Gansu as key provinces in this process, as their rich coal resources can easily be synthesised into methanol and as they are experienced with methanol-fuelled vehicles. Also, the use of low-quality coal, coal and coke gas for the production of methanol is supported while staying in line with environmental standards. Preferential policies will be offered for methanol-fuelled cars which meet China’s highest emission standards (CHINA IV). Finally, methanol vehicles shall be promoted for official use, rental purposes, and short-distance passenger transport.



Read the Policy
(Chinese)



7. Deposits for new mobility services shall not be exploited by service providers

《交通运输新业态用户资金管理办法（征求意见稿）》

Under a new consultation draft

released by MoT, Bank of China and the State Council, new mobility service providers, such as bike-sharing or car rental operators, shall no longer be able to exploit users' deposits and credit balances. The new regulation aims to counter the practice of asking for unproportionally high sums of money in advance and not returning them timely: Under the suggested regulation, short-term car leasing services may only request deposits which equal 2% or less of the average expenses associated with operating the car. As for bicycle sharing services, the deposit shall not exceed 10% of the average expenses associated with the operating costs for the bicycle. The credit balance on a user's account of a bicycle sharing service shall not exceed RMB 100 (EUR 13.20), while it may not exceed RMB 8,000 ca. (EUR 1,050) for other new mobility services. Once a user applies for a refund, the money shall be returned to the user on the same day or on the next day the latest.



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8. Tianjin promotes the development of NEVs

天津市新能源汽车推广应用实施方案(2018-2020年)

The Tianjin municipal subsidiary of MIIT plans to increase Tianjin's NEV fleet by 20,000 vehicles annually until the end of 2020. The 'Three-Year Action Plan for the Development of NEVs in Tianjin (2018- 2020)', released on 9 March 2019, sets the target that NEVs should make up 4.5% of the total vehicle volume in the city at the end of 2020. The Action Plan sets out to improve charging infrastructure and to promote NEVs in transportation hubs such as Tianjin Port, railway freight yard areas or the airport. The plan also takes aim at the city's public and municipal transportation: All buses shall be electric until the end of 2020 and at least 80% of all newly purchased sanitation, post, taxi and light logistic vehicles shall be NEVs or clean energy vehicles, which match China's highest emission standard (CHINA VI).



9. Hainan Province's Action Plan aims at 30,000 NEVs by 2020

《海南省全面加强生态环境保护坚决打好污染防治攻坚战行动方案》

On 9 March 2019, the Provincial Government of Hainan issued an Action Plan to strengthen the island's pollution prevention and environmental protection strategies. The Action Plan promotes green development of a wide range of industries, setting concrete targets for the transportation sector. By 1 July 2019, all motorised light-duty vehicles shall comply with China's highest emission standard (CHINA VI). By 2020, the goal of a minimum of 30,000 NEVs and 28,000 charging stations shall be reached. Hainan's ports are to improve their shore power infrastructure that shall allow the Province's ports to provide at least 50% of passenger and container ships with shore power. At the same time, the Province's energy mix is set to become greener: Installed clean energy capacity shall make up 60% of all installed capacity. No new coal power plants may be built and existing ones shall be gradually phased out.



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