In 2010, the Chinese automotive market is expected to close to the world's highest recorded vehicle sales of 17.8 million units achieved by the United States and become the auto powerhouse of the world both in name and reality in 2011. Comparing with China's production volume of 2.35 million units in 2001 when China became a member of the WTO, the Chinese automotive industry achieved astounding growth with unprecedented rapidity, recording seven-fold expansion in less than 10 years. Needless to say, the auto parts industry has also achieved explosive growth. In China, while the amount of foreign investment allowed in joint venture projects of complete vehicle manufacturers is limited to 50%, there is no restriction on the joint venture projects of automotive components. Consequently, the development of the Chinese parts industry was carried out by foreign companies and joint venture companies between Chinese and foreign suppliers, while Chinese suppliers became lagging behind in technology and R&D. However, recently, as seen in the acquisitions of Delphi Corporation's brake and chassis business and GM's Nexteer steering components unit by Chinese enterprises, there are an increasing number of Chinese suppliers that intend to fill the technological gap through takeover of foreign parts makers backed by the governmental supports. Furthermore, with an aim to make up for delay in technology accumulation in the auto parts industry, the Chinese government has been activating implementation of industrial policies to support and encourage development of technology and products in new technology areas such as electric vehicles and related parts.

It is firmly believed that this survey on the up-to-the-minute trends of the Chinese auto parts industry which clarifies the Chinese government’s industrial policies for 2015 as well as deep analysis on parts procurement strategies and business trends of Chinese and foreign auto parts makers will serve as an invaluable source of information for those conducting business related to China’s automotive industry, and contribute to further business expansion.

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**China: Outline of Six Major Automotive Industry Zones**

<table>
<thead>
<tr>
<th>Industrial Zone Trends</th>
<th>(1) Expansion of existing zones</th>
<th>(2) Rising zones in inland regions</th>
<th>(3) Creation of new-energy vehicle-related zones</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Along with increasing production by automakers, suppliers are boosting output at existing local bases or new entry.</td>
<td>Along with growth in inland cities, many parts suppliers have entered the region due to ease of securing production sites and low labor costs.</td>
<td>With the government promoting new-energy vehicles as a national strategic industry, investment is booming in CBU and related parts.</td>
</tr>
</tbody>
</table>

**Bohai Zone**
- **Production Bases**: Beijing, Tianjin, Dalian, Jinan and Yantai
- **Main Automakers**: Beijing Benz, Foton, FAW Toyota, Tianjin FAW Xiali, Chery Dalian, Sinotruk, Shanghai GM, etc.

**Central South Zone**
- **Production Bases**: Wuhan, Zhengzhou, Xiangtan
- **Main Automakers**: Dongfeng (Dongfeng Peugeot Citroën, Dongfeng Honda), Great Wall, Geely Xiangtan, etc.

**Southwest Zone**
- **Production Bases**: Chongqing, Chengdu, Liuzhou
- **Main Automakers**: CHANA (Chang'an Ford Mazda, Chang'an Suzuki, etc.), Lifan, Sichuan FAW Toyota, FAW-VW Chengdu, SAIC-GM-Wuling, Dongfeng Liuzhou, etc.

**Northeast Zone**
- **Production Bases**: Shenyang, Changchun, Harbin
- **Main Automakers**: FAW Group (FAW-VW, FAW Car, Sichuan FAW Toyota Changchun), Brilliance Jinbei (Brilliance BMW), Shanghai GM Norsom, Hafei, etc.

**Yangtze River Delta Zone**
- **Production Bases**: Shanghai, Nanjing, Wuhu, Ningbo
- **Main Automakers**: SAIC (Shanghai VW, Shanghai GM, etc.), SAIC Nanjing, Chery, Geely, etc.

**Pearl River Delta Zone**
- **Production Bases**: Guangzhou and Shenzhen, Haikou
- **Main Automakers**: GAI (Guangqi Honda, Honda China, GAC Toyota), Dongfeng Nissan, BYD, Hafei Shenzhen, Haima, etc.

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*Compiled by FOURIN using various media sources*
China Automotive Industry Yearbook 2011 - Automotive Parts -

Chapter One: The Status Quo and Focal Points of the Chinese Auto Parts Industry
1) Overview of the Chinese Auto Parts Industry
2) The Chinese Auto Parts Industry which Supports the World’s Largest Auto Market
3) Policies on the Development of the Chinese Auto Parts Industry
4) Parts Procurement Strategies of Chinese Suppliers in the Area of Electrification
5) Export and Import of Auto Parts
6) Analysis of 150 Parts

Chapter Two: Procurement Policies and Trends of Major Automakers

Chapter Three: Business Conditions of 40 Major Chinese Auto Parts Makers
1) Beijing Huaian Automotive parts Co., Ltd.
2) Nanjing Automotive Refrigerating Co., Ltd.
3) Shandong Binzhou Bohai Piston Co., Ltd.
4) Hubei Bothwin Investment Co., Ltd.
5) Changchun Xuyang Industry (Group) Co., Ltd.
6) Hubei Bothwin Investment Co., Ltd.
7) Shandong Gold Phoenix Group Corp.
8) Shandong Gold Phoenix Group Corp.
9) Dongfeng Motor
10) Chang’an Automobile
11) SAIC
12) FAW
13) Toyota Group
14) Honda
15) Hyundai/Kia

Chapter Four: Business Conditions of 10 Major Chinese Auto Parts Suppliers Related to Electrification
1) China Tex Mechanical & Electrical Engineering Ltd.
2) CSK Corp. Ltd.
3) Ningbo Yunsheng Co., Ltd.
4) Shanghai Dajun Technologies Inc.
5) Shanghai Edrive Co., Ltd.
6) Tianjin Lishen Battery Joint-Stock Co., Ltd.
7) Tianjin Qingsuan Electric Vehicle Co., Ltd.
8) Sky Energy (Luoyang) Co., Ltd.
9) Wansheng EV Co., Ltd.
10) Citic Group

Chapter Five: Business Trends of 50 Major Global Parts Makers in China

Chapter Six: Statistical Data

Attachment CD in Excel Format