



China announces tough new EV quotas for 2019

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Author: Robin Roberts

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The announcement yesterday by China of quotas on imports and production for electric and plug-in hybrid vehicles is a game changer.

It is a boost to decarbonising transport and a wake-up call to the EU to not be left behind in cleaning up its car fleet, sustainable transport group Transport & Environment (T&E) has said. The European Commission is **considering** introducing a zero-emission vehicle sales target in the draft EU car CO2 standards expected in November.

China, the world's largest car market, has set the 2019 'new energy vehicles' sales quota (covering fully electric and plug-in hybrid vehicles) for automakers at 10% of their annual vehicle sales for that year. In 2020, the NEV sales quota will be set at 12% of annual sales. Considering the quota's credit structure, this would translate into 4-5% plug-in vehicle sales in 2020. China is the second global auto market to adopt a ZEV mandate after California.

China's move will spur car maker to up their EV production to cope with the quotas but may lead to a shortage of such models in the rest of the world, which means prices are likely to remain higher than they would if there was greater competition for sales.