

# China's GAC to invest USD325 million in new NEV plant

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**New plant is scheduled for completion in 2018 and will have an initial production capacity of 100,000 units per annum**

China's Guangzhou Automobile Group (GAC) plans to invest CNY2 billion (USD325.9 million) in a new plant to produce new energy vehicles (NEVs). The new plant is scheduled for completion in 2018 and will have an initial production capacity of 100,000 units per annum, reports



*Bakhtar News Agency*, citing a senior company official. "Many places ardently want us to build there. There are some that in order to get us to build locally make known that they are now thinking of buying a large quantity of our products," said Liang Weibiao, vice-general manager of the automaker. The executive added that the timetable for the new plant may be accelerated depending on sales of NEV models. However, Weibiao did not specify the location of the new plant.

**Significance:** If GAC eventually establishes a new plant for electric cars, it will join the growing list of automakers to boost production of such vehicles in order to meet increasingly stringent fuel-economy standards. The regulatory move is part of the Chinese government's efforts to control pollution in major cities. Under its revised plan, the Chinese government has set a more realistic target of having 1 million NEVs on roads by 2020. The government's incentive policies have prompted automakers such as BYD and Lifan to undertake fresh investment in production of NEVs. GAC already sells NEVs and aims to sell 3,000 of the vehicles this year and to boost this figure to 10,000 in 2016.

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