

Recalls increase in China as ACSIQ strengthens vigilance

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Honda to recall 1 mil. vehicles, VW 150,000 units

Chinese government body the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) has steadily been strengthening the level it scrutinises the vehicle market in China. The body, which is the official regulatory body for all products, from food to fertilisers, has in recent years been significantly increasing its vigilance over the car market in China. In the first quarter of 2014, the AQSIQ issued recall notices on a total of 134,000 vehicles in China. In the first quarter of 2016, the AQSIQ issued recall orders on more than 1.9 million new vehicles in China.



Honda to recall over 1 mil. units

The latest major order by AQSIQ is for Japanese automaker Honda to recall 1,038,924 vehicles in China. The vehicles covered by this latest recall includes the CR-V sport utility vehicle (SUV) produced in China between 12 April 2006 and 12 January 2012, and affects a total of 533,350 CR-V cars. The recall also involves Civic sedans produced between August 2005 and August 2011, with a total of 456,581 units being recalled; and the Spirior sedan produced between September 2009 and November 2011, with a total of 48,309 units affected. Imported Civic hybrid cars produced between March 2007 and 5 October 2010 are also included in the recall, affecting 684 units.

In total, more than 1.03 million Honda cars are to be recalled in China due to issues with the passenger airbag. The AQSIQ states that the gas generator in the airbag may be damaged when in use and the flying debris could harm passengers. The local joint venture (JV) Dongfeng Honda Automobile Company will notify vehicle owners and will also replace the passenger-side front airbag's gas generator free of charge, the AQSIQ states. The automaker has set up a hotline for car owners to call, while the AQSIQ has also released details of its hotline for consumers to call directly to find out details of the recall and the automaker's position and what it offers to amend the situation.

The recall notice was issued by the AQSIQ on 17 June, a day after it issued the notice for the recall of the Infiniti Q50 in China.

VW issued with recall notice on 147,955 units

Additionally on 17 June, the AQSIQ issued a notice for Volkswagen (VW) to recall 147,955 cars in China, effective from 24 June. The VW Touran is the model being recalled and the affected vehicles were produced between July 2004 and May 2012. The cars allegedly have issues with the protective fuse in the car lights, which the AQSIQ states could overheat and cause some of the lights to fail. The AQSIQ also states that it has had several complaints relating to the lighting system in the Touran from consumers in China, which the regulator investigated independently, resulting in an assessment that a recall notice was in order.

The local JV Shanghai Volkswagen Automobile (SVW) will repair the affected vehicles free of charge. Again, the AQSIQ has issued its consumer complaint hotline number, while SVW has also launched a hotline for consumers to contact it on.

Outlook and implications

The AQSIQ website issues the vehicle recall notices, and while the larger recalls receive most attention, the regulatory body also issues small volume recalls. So far in June, the AQSIQ has issued recall notices on more than 1.2 million units.

On 8 June, the AQSIQ issued a notice for 355 Ford Transit vans to be recalled by Jiangling Motors Corp (JMC), the JV between Ford and Jiangling Motors Holding for the production of commercial vehicles in China. The recall was due to issues with tubes and joints that could result in oil-spill risk.

On 14 June, the AQSIQ ordered 6,302 Mercedes-Benz cars to be recalled due to an issue with a lock mechanism in certain imported models. Additionally on 14 June, the AQSIQ issued a notice for Suzuki to recall 288 units due to issues with the sealing that could cause leaks of brake fluid.

On 16 June, Nissan was ordered to recall 6,894 units of the Q50 model, and then on 17 June the AQSIQ issued the

two notices covering a total of more than 1.18 million Honda and VW vehicles.

The month of June, therefore, has already witnessed over 1.2 million vehicles being issued with recall notices in China. In the first quarter, a total of 1.86 million vehicles were recalled by the AQSIQ in China, in stark contrast to the first quarter of 2014 when just 134,000 units were recalled.

The AQSIQ now often uses prompts from recalls taking place in the international market. Therefore, if a recall of a certain model is taking place in any major market, the AQSIQ often quickly issues a recall notice for the same model in China.

The AQSIQ has opened a consumer complaint hotline and, following its inspections, the authority will issue an automaker with a recall notice. This is also helped by investigative television and other journalism, which often highlights consumer complaints about certain models.

The AQSIQ also randomly checks vehicles to ascertain whether the model meets the regulator's criteria. Meanwhile, the AQSIQ has also highlighted a host of safety and technical inspection centres dotted across China, with different testing capabilities further helping the AQSIQ in its scrutiny of the vehicles in use in China.

All in all, the scrutiny of the AQSIQ has increased significantly in recent years, and for automakers this added scrutiny means that quality control in China cannot be overlooked.

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