

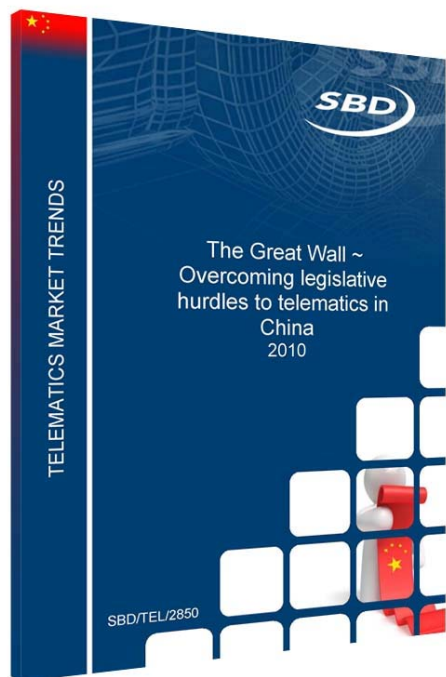
Overcome the legislative obstacles of launching telematics in China



Chinese government is positive about telematics but licensing legislation lags behind this new industry...

OE telematics services are at a period of expansion in China but foreign vehicle manufacturers are finding it difficult to deploy services due to government involvement and harsher licensing restrictions than their domestic counterparts.

In *“The Great Wall - Overcoming legislative obstacles to telematics in China”*, SBD analyses both the current status and the future direction of government involvement in telematics in China, focusing on the licences, mandates and relevant associations that are playing a key role in defining this involvement. The report also provides recommendations to vehicle manufacturers on how to maximise the chances of success when deploying telematics in China.



This report will help you:

- Maximise the chances of **success when deploying telematics** in China
- Brief legal departments on **necessary legislative and licensing issues** for launching telematics services in this market
- **Overcome the complex and strict government legislation** and licensing in the Chinese market
- Learn how strategic alliances could **influence government thinking**

For additional information please email jappleby@sbd.co.uk or telephone Juanita on +44 (0) 1908 305101 and she will be happy to deal with your enquiry.



»» Is regulation on telematics increasing or decreasing?

Licenses for the operation of telematics services

The Chinese government keeps close control of the emerging OE telematics industry through a complex network of licensing requirements. These licenses are operated by the Ministry of Industry and Information Technology (MIIT) focused on telecommunications-related licenses and the State Bureau of Surveying and Mapping (SBSM) responsible for the new Internet-based mapping licensing.

The MIIT is responsible for a wide range of licenses related to Value-Added Telecommunications Services (VATS). These VATS include the licenses critical for OE telematics services. Restrictions on foreign companies gaining these incenses are a major obstacle for vehicle manufacturers planning to launch telematics services in China.

The process of complying with the Chinese government's licensing requirement is complex and difficult. Vehicle manufacturers are developing a number of strategies to address the situation:

- Obtain licenses through joint ventures and financial strategies that attempt to get around foreign ownership laws
- Outsource telematics to Chinese service providers
- Attempt to avoid the requirement of some licenses by offering services for free
- Choose specific telematics services that have a reduced licensing requirement

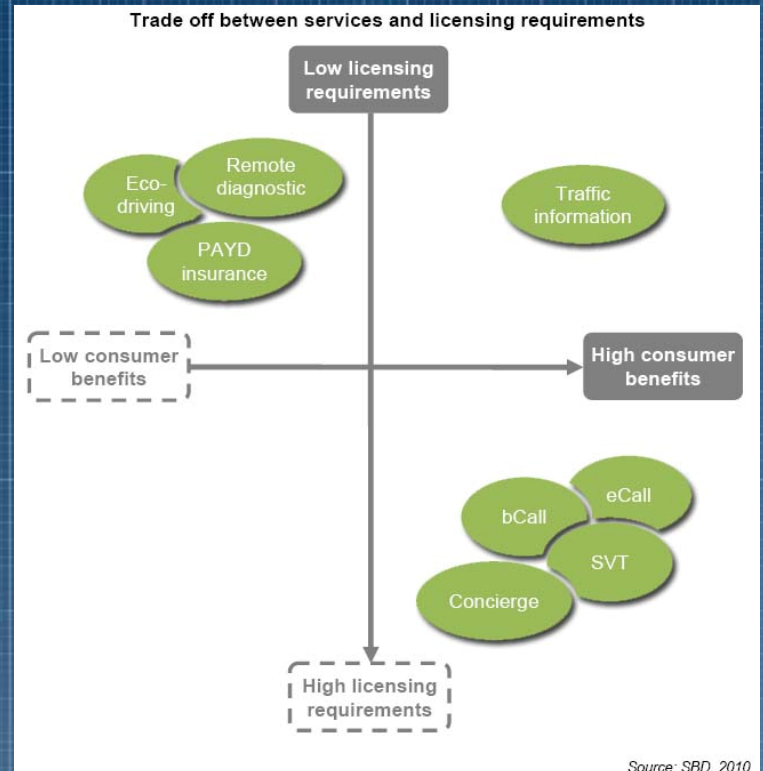
Legislation mandating the introduction of telematics services

While the Chinese government's licensing requirements are having a restrictive effect on OE telematics, other legislation is set to encourage the deployment of automotive services. In the short term, the Chinese government has introduced new legislation mandating the monitoring of new-energy vehicles (such as electric vehicles) that may lead to the fitment of remote diagnostics telematics systems.

In the longer term, SBD has analysed the likelihood of the introduction of legislation relating to four telematics services: eCall, Road Pricing, Stolen Vehicle Tracking (SVT) and Electronic Vehicle Identification (EVI). Of these four, EVI is identified as the most likely to generate legislation.

Improving communications between industry and the government

Vehicle manufacturers are averse to new unexpected government legislation, such as the SVT mandate in Brazil that surprised some car makers and is causing high costs to ensure compliance. SBD believes there is an opportunity for vehicle manufacturers to avoid unexpected legislation and influence government thinking in China through the emergence of new telematics industry alliances such as the national Telematics Industry Application Alliance (TIAA) and the regional Shanghai Telematics Information Service Alliance (STISA).



»» ...know what tomorrow brings

TABLE OF CONTENTS

1. Executive summary

- 1.1 Introduction
- 1.2 60-second summary of conclusions
- 1.3 Summary of key points

2. Licenses required for the operation of telematics services

- 2.1 Introduction
- 2.2 Government departments responsible for licensing
 - 2.2.1 Ministry of Industry and Information Technology (MIIT)
 - 2.2.2 State Bureau of Surveying and Mapping (SBSM)
- 2.3 Licenses for Value-Added Telecommunications Services (VATS)
- 2.4 Strategies for overcoming restrictive telematics licensing
 - 2.4.1 Managing foreign investment rules
 - 2.4.2 Outsourcing telematics to the right partners
 - 2.4.3 Balancing free vs. paid services
 - 2.4.4 Choosing the right services
- 2.5 Future outlook

3. Legislation mandating the introduction of telematics services

- 3.1 Introduction
- 3.2 Short-term outlook - Real-time monitoring of Electric Vehicles
 - 3.2.1 Outline of MIIT requirements for data collection
 - 3.2.2 Next steps and likely impact on telematics industry
- 3.3 Long-term outlook

4. Improving communications between industry and the Government

- 4.1 Introduction
- 4.2 New alliances
 - 4.2.1 National initiatives - Telematics Industry Application Alliance (TIAA)
 - 4.2.2 Regional initiatives - Shanghai Telematics and Information Service Alliance
 - 4.2.3 Regional initiatives - Shanghai High-Tech Industrialisation Programme

LIST OF FIGURES

- Fig. 1 Navigating through the maze of licensing and legislation in China
- Fig. 2 MIIT department with responsibilities related to OE telematics
- Fig. 3 Licenses covering VATS
- Fig. 4 Comparison of license processes between China and other countries
- Fig. 5 Summary of OE strategies for overcoming restrictive licenses
- Fig. 6 Official restrictions placed on foreign-owned companies
- Fig. 7 Official and unofficial methods of foreign investment in telecommunications industry
- Fig. 8 Trade off between services and licensing requirements
- Fig. 9 Major automotive legislative amendments introduced in emerging markets (2009)
- Fig. 10 Monitoring requirements for new energy vehicles
- Fig. 11 Real-time data required by MIIT
- Fig. 12 Potential future government legislation in China
- Fig. 13 Roles of Shanghai Telematics and Information Service Alliance

The SBD Mission...

... to provide our customers with the knowledge, insight and understanding they need to develop class leading Telematics and Vehicle Security products and improved Cost Of Ownership performance

About the report author...



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Stephen achieved an MSc in Transport Planning and Management at the University of Westminster, before becoming the editor of *The Intelligent Highway* magazine. At SBD, Stephen specialises in research and analysis into automotive telematics and navigation. He has investigated a variety of ITS applications and is widely regarded as an expert on emerging markets such as China and emerging initiatives such as eCall.

Pricing:

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Related Reports



An analysis of OE telematics in China

As OE telematics start to emerge in China, SBD provides an overview of the current and planned service launches along with market forecasts and the key issues vehicle manufacturers and service providers are facing with licensing, partnerships and public sector constraints. This report describes the activities of the vehicle manufacturers and service providers leading the way on telematics so that you can identify the successful strategies required for entering this growing market.

Reference **SBD/TEL/2190**



The key market drivers for telematics in China

This report provides an analysis of the key market drivers for in-car telematics services in China. It assesses the important factors that are encouraging vehicle manufacturers to offer OE telematics services in China. These include: car ownership, vehicle theft, local aftermarket solutions, road safety and emergency services, traffic congestion, cellular network coverage, and Government policy.

Reference **SBD/TEL/2160**



China G-Book end user survey

As the market in China develops and matures the voice of the customer will play an increasing role in what services are successful and those that are not. If you are considering launching a telematics service in China or already provide services, this research is vital in helping you understand the needs of Chinese consumers for telematics. In particular, the survey will help you to understand:



- Why consumers chose Toyota/Lexus models with G-Book telematics and what they think of the new system and services
- The opinions of luxury and mid-range car owners when the service was demonstrated to them

Reference **SBD/TEL/2695**