

Rise of the backseat driver

It's the biggest car market on the planet, but many new owners never get behind the wheel

BY ADRIENNE HAREBOTTLE
Special to GN Focus

In China, bigger is better. And this is despite an ever-increasing number of cars on the already crowded roads. In the summer of 2010, Beijing commuters experienced the worst traffic jam in history; it was 100km long and lasted ten days.

You might think this would encourage people to buy small cars, but Chinese motorists increasingly spend on large automobiles. And they're not paying for the driving experience — they want the leg room.

Middle East Rolls-Royce importers claim that 99 per cent of regional owners prefer to drive themselves. But in China the opposite is true, even with Toyotas and Volkswagens. This has encouraged manufacturers to develop China-only models with emphasis on the rear seat.

Sales get a leg-up

The trend hit a high in April at the biennial Auto Shanghai show, which boasted 100 glob-



Courtesy: Volvo

Can you see what's missing from this Volvo XC90? Yes, a front seat. But it does have a jewellery box and vanity mirror...

al premieres. Among those debuts was the Volvo XC90 SUV with a missing front passenger seat — all in the name of extra rear legroom. Volvo is owned by Chinese brand Geely, and the Swedish car marque understands its parent company's buyers intimately.

"We analysed the needs and perspective of the chauffeur-driven executive, designing

the car around him or her," says Thomas Ingenlath, Volvo's Senior Vice-President of Design. "Removing the passenger seat enabled us to create an open space that dramatically changes the dynamics of the interior."

Dubbed the XC90 Lounge Console, the car has a large work table that opens to reveal an illuminated vanity

mirror (emphasis on vanity), including a storage tray for, in Volvo's words, "jewellery and make-up". The table rotates 90 degrees and simultaneously powers forward to display a large 17-inch media screen for an in-car theatre experience. Below the cushioned leg rest is an area for your shoes.

Other debuts at the Shanghai show included an updated

Lexus ES with, naturally, extra rear leg and knee room, as well as a China-only Ford Taurus flagship saloon with massaging seats at the back.

Nissan's premium arm Infiniti chose Shanghai as the setting to reveal its Q70L Bespoke Edition — the L suffix for long. It features a 150mm longer wheelbase for more rear space. Earlier last year,

Land Rover also jumped on the bandwagon with a Range Rover Hybrid Long Wheelbase, unveiled in Beijing, that afforded backseat aficionados 186mm of legroom. The company said this model "best suits Chinese customers' preferences for luxury and spaciousness".

In it for the long haul

Everyone's in on it. China is the only market in the world where you can buy a long-wheelbase BMW 3 Series, which is particularly ironic because the chauffeur will end up having the most fun in a model traditionally lauded for its driving pleasure.

Jaguar does the same with its all-new XF L (again, note the L suffix) and Cadillac is preparing to roll out its ATS-L saloon this August in China, boasting 85mm extra rear space.

In other words, the more cars China buys, the bigger this trend is likely to get. After all, if you are going to get stuck in a 100km traffic jam for days on end, you might as well kick your shoes off and get some work — or play — done. ■

Tech reinvents the wheel

It's not just US companies taking a lead in smart cars

BY DEEPAK KARAMBELKAR
Special to GN Focus

In the near future, you might be buying cars not from the usual automotive suspects, but from tech giants such as Apple and Google. And instead of you driving off in the car, the car will drive off with you.

Smart, driverless vehicles are emerging as the next big opportunity, with entrenched players, technology companies and start-ups jostling for a piece of the future pie. And China is taking a lead in this.

In fact, other modes of transport are also likely to pick up smarts and autonomy. As Chinadaily.com reported, "Trains and cars that drive themselves are just some of the things that are being developed with the aid of military technologies originally developed for combat use by the National University of Defence Technology [NUDT]."

NUDT has also collaborated with state-owned auto manufacturer FAW on commercial driverless cars that will soon be seen on the roads in China.

An early example of what might be zipping down Chinese roads is on display at last month's Shanghai car show. Called Project N (for Newton, pictured), this concept car from communications company Pateo Group hides one key component — the steering wheel. In its place, you get a row of displays that would be more at home in a TV showroom. Even the sunroof and rear



Corbis

windshield double as displays that stream everything from traffic updates to what's happening on your social networks. Meanwhile, an iris scanner handles security and a bevy of sensors do the driving. If you get bored of watching the car drive itself, you can pull out the steering wheel and take over.

Project N is expected to hit roads by 2018 and could cost between 350,000 yuan (about Dh200,000).

Hon Hai Precision Industry — better known as Foxconn — is known for manufacturing Apple products. Now, it is adding cars to the list. In March, the company announced a partnership with other big companies like Tencent — China's biggest internet company and social networking platform — and China Harmony, the country's largest auto dealership. While details are currently sketchy, the joint venture is expected to roll out cloud-linked smart electric cars priced under \$15,000 (Dh55,000).

Alibaba has also entered the ring. The e-commerce giant has teamed up with SAIC Motor to launch a cloud-connected car as early as 2016. The companies have committed one billion yuan to this.

Chinese search leader Baidu also claims to be experimenting with autonomous cars, in collaboration with the Deep Learning Institute. It is testing cars that intelligently assist drivers rather than replace them for BMW.

It is just a matter of time before these cars start driving into markets outside the home country. So next time you see a vehicle neatly parking by itself, look closely — chances are it was made in China. ■

No shortcut to the lap of luxury

Demands of Chinese market considered at start of design process

BY MARK ANDREWS
Special to GN Focus

Luxury and premium manufacturers used to think it was sufficient to just stretch a model specially for China. Locally manufactured versions of the Audi A4 and A6, BMW 3 and 5 series, along with the Mercedes C and E Classes, all gain long wheelbases. There was also the idea that catering to the Chinese market meant creating a dragon-themed special edition. This reached fever pitch in 2012, which was a dragon year in the Chinese zodiac, with cars such as the Rolls-Royce Phantom Year of the Dragon edition and the Aston Martin Dragon 88 — the latter was limited to 88 (eight being a lucky number in China).

"They only added a Chinese element on their car, such as a dragon theme," Zhou Jingzhe, Director, China and Korea at IHS Automotive Advisory, tells GN Focus. "The cheaper version doesn't make a car look better; it only makes the buyer of such cars look like a parvenu."

The launch of the Porsche Panamera in Shanghai in 2009 marked the beginning of a seismic shift in attitude. No longer would just stretching cars and a few special editions as an afterthought cut it; China would need to be thought of from the very beginning of the design process.

Traditional sports car manufacturers do not find a ready market in China. Many rich Chinese prefer to be chauffeured and cars are also often seen as a family purchase, so

the back will be used by adults more than in other markets.

Chinese generally favour SUVs and sedans and this is one of the main reasons Porsche, Lamborghini and Aston Martin have been keen to introduce such models. Aston Martin has earmarked around a quarter of the Lagonda Taraf saloon's 200 limited production to the Chinese market. The brand recently secured a UK government grant partly in order to develop new models that appeal to the Chinese market. This may well take the form of a production version of the DBX, an SUV-style concept car.

At Auto Shanghai, Mercedes-Benz unveiled its near production ready Concept GLC Coupe (pictured) — a sporty SUV designed to compete with BMW's X4 — and Bentley chose Beijing for the launch of the Flying Spur in 2013 for good reason; some 55 per cent of the first-generation cars were sold in the Chinese market and the new model was developed with China in mind.

There is an emphasis on rear comfort, sometimes to the detriment of the driving experience. This focus on comfort is evident in the Volvo XC90 Excellence — the most luxurious car ever produced by the Chinese-owned Swedish marque. It is no coincidence it was unveiled in Shanghai.

"The most important influence of the Chinese consumers in future might be in terms of connectivity," Jochen Siebert, Managing Director of JSC Automotive, tells GN Focus. "And we know that's already happening — Mini chose Shanghai to unveil its augmented vision concept. It's becoming a global phenomenon that when Chinese buyers speak — often from the back seat — manufacturers have to listen. ■

Attack of the auto clones

Imitation is the sincerest form of flattery... or is it?

BY ADRIENNE HAREBOTTLE
Special to GN Focus

The Japanese started out with imitations, and look where it took them. Now, it's China's turn. The country is flaunting its lax patent laws with what some would call blatant copies of Western car designs.

The biggest automotive market in the world is populated by all the Western brands you know plus dozens you've probably never heard of before. The country's top sellers include marques like SAIC Motor, Dongfeng, FAW, Changan, Chery, BYD Auto, Brilliance and Jiang-Huai.

Last month, the country celebrated its automotive industry's growth — to the tune of one million additional cars per year — with a biennial extravaganza in Shanghai. Although prestigious global premieres hogged the limelight, it's the copycat local participants that made us chuckle.

BAIC slapped its corporate badge on to the bonnets of three SUVs worth a double take. The BJ80C takes more than just a few cues from Mercedes-Benz's iconic G-Class; another could be the Jeep Wrangler's twin, while the BJ20 (pictured) resembles the Jeep Cherokee — although it's hard to understand why someone would copy the latter's questionable styling.

Dongfeng, meanwhile, confirmed it would continue to churn out its ageing American Hummer H1 lookalikes. The originals ceased production in the US almost a decade ago, but they'll continue to roll

out of Chinese factories in mimicked form.

Something called an Eagle Came also had a Shanghai premiere, looking remarkably like an unfortunate cross between a Ferrari F12 and a Porsche Cayman to the untrained eye, while the Event K50 tried desperately (and failed) to pull off a Bugatti Veyron look.

Then there's the Zhonghua V3, which could be a Skoda Fabia, and the LandWind X7, which possibly took Shanghai's cake by most unashamedly copying the Range Rover Evoque. Land Rover had complained when the X7 was launched in Guangzhou in November, but Chinese officials have given the home-grown, stand-alone brand the green light to continue.

"The fact that this kind of copying is ongoing in China is very disappointing," Dr Ralf Speth, CEO of Jaguar Land Rover, has been quoted as saying. "The simple principle is that it is not something that should happen."

Land Rover is said to be in talks with its Chinese joint venture partner Chery to find a solution to the situation.

Rolls-Royce famously threatened a lawsuit in 2009 over a Geely GE model too close to the former's design, but the case went nowhere due to China's relaxed intellectual property laws.

So when will the blatant copying end? The advantage China has is that its market is simply too powerful and sizeable to buckle under any pressure. So the likely answer is, sadly — or amusingly — never. ■



Courtesy: BAIC

BIG. BIGGER. SHANGHAI!

The world's biggest car market now boasts the biggest auto show. But just how Chinese is it?

BY BERTEL SCHMITT

The task of every major car show is to reflect the state of the auto industry, but few live up to the challenge as well as Shanghai's auto show. Like the Chinese market, the show is big, chaotic and perplexing, and attendance is a rite for anyone who's anyone in the global car business.

The glittering new products and concepts unveiled at last month's Auto Shanghai 2015 by the global major automakers confirm China's status as the most important car market in the world. But they also provide a poignant counterpoint to the more modest offerings on display from its home-grown producers. For all the uncertainty that global companies see in the cooling Chinese market, the Shanghai show proves that they — not the government-assisted carmakers — are winning the war for the hearts, minds and pocketbooks of China's growing consumer class, even if the local brands are putting up a fight in the entry-level segment.

Risk of overcapacity

Despite this year's notable lack of scantily clad booth babes and an increase in sober expectations for the market, the Shanghai auto show is still glowing exuberantly. But behind the facade of the massive new venue lurks yet another sign of the complicated mix of opportunity and risk facing the industry: Though it featured more than 2,000 exhibitors this year, empty space abounded. Both the industry and its flagship event are built on a widespread belief in growth, yet they remain in constant risk of overcapacity.

Whether that overcapacity becomes an issue for the world's carmakers depends on how rapidly China's once white-hot growth slows. And while there are fears that a cooling market could bring a sharp correction, the auto industry seems to believe that the slowdown will continue to be gradual. "I don't think 6-7 per cent growth is bad news," Nissan-Renault CEO Carlos Ghosn said.

Indeed, 7 per cent annual growth would bring car sales in China to 35 million a year by the end of the decade, double the current US market.

But if the major global carmakers seem content with the state of the market, the Chinese themselves are less enthused. After spending decades forging joint-venture partnerships with foreign brands, companies are failing spectacularly at making progress in their home market. In 2014, nearly eight out of ten sedans sold in China were foreign-made. The failure to win market share is not merely embarrassing to China's auto policy goals, but it also puts domestic producers on the front lines of overcapacity risk.

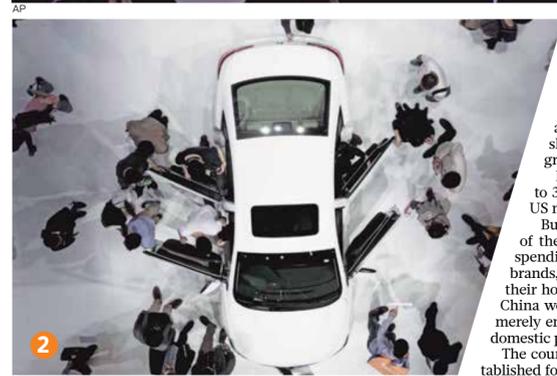
The country's carmakers have failed to compete with their established foreign competitors in part because of the government's strategy of leveraging market access for technology transfers. With Chinese companies receiving new technologies from Wolfsburg and Detroit, they have failed to build up their own technical capabilities at home. They have tended to simply mimic foreign technologies and designs, leading to copycat vehicles.

Love for foreign cars

The problem isn't limited to the carmakers: Consumers' consistent preference for foreign-branded cars remains a major obstacle to China's automotive ambitions. It's not simply a question of foreign companies building better cars; their brands are more popular with the country's growing middle and upper classes. In certain respects, this state of affairs resembles the frustrations faced by American carmakers that have been pummeled in their home market as consumer preference shifts towards Japanese, German and Korean cars. And as years of policies and bailouts have proven in the US, shifting consumer preferences to align with government priorities is never an easy task.

For now, Chinese carmakers remain marginal players, stuck in the lower end of their domestic market while foreign competitors dominate the more profitable high end. Though the latest offerings have shown improvements, it's clear that they will continue to struggle to make headway in an increasingly crowded market, let alone live up to the dreams of exporting cars around the world. For now, the Chinese government is encouraging the production of greener new energy vehicles and hoping carmakers use the opportunity to develop technologies that push them to the forefront of the industry. But unless they begin making their own advances and until its consumers start buying Chinese cars for reasons other than lower cost, its industry will remain a long way from matching the promise of its market.

The writer is co-founder of Daily Kanban and an auto industry veteran / Bloomberg



1. Dancers introduce a car from Luxgen at the Auto Shanghai 2015 after the show banned models
2. Visitors throng a car for a closer look
3. The Foton Tunland C 2.8, touted as the right vehicle for Shanghai traffic
4. Chinese carmaker Haval displays its latest model
5. The Geely Emgrand concept car
6. What's under the hood? A visitor inspects an engine at the show
7. A "cleaner" keeps a model by Chinese brand Star Coach spick and span
8. A Toyota FV2 concept car, which enhances the driving experience by connecting with the driver, on display
9. The new Chevrolet FNR concept, an autonomous electric vehicle