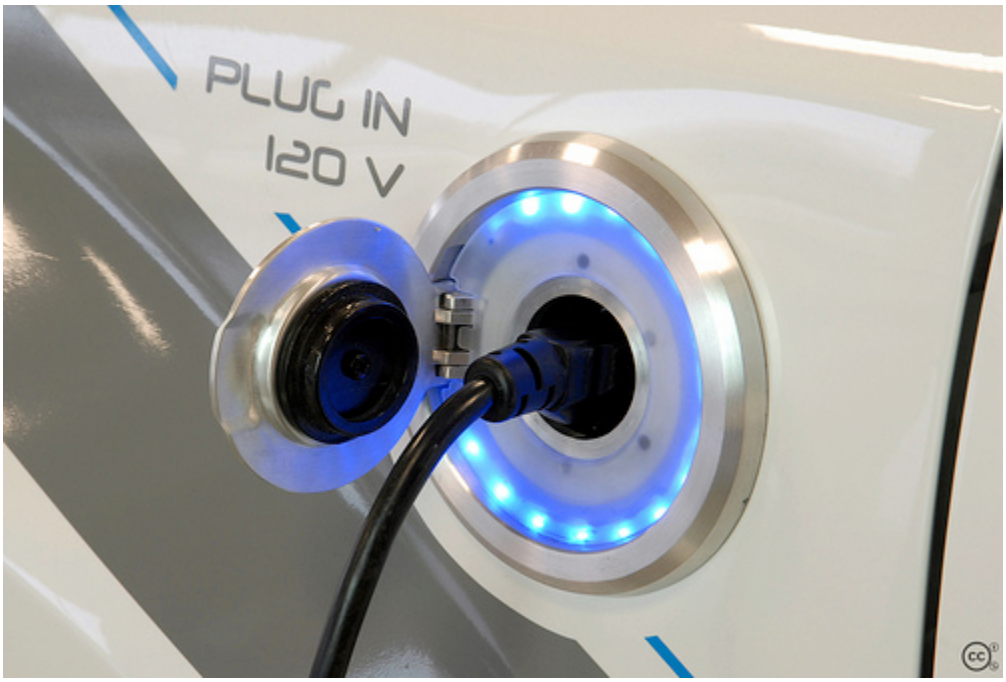
International Advisory Services Group

EV Study Mission to China



Background

China may not be a global leader in conventional vehicle technology, but the Middle Kingdom is poised to leapfrog into electric vehicles.

First of all, sheer ***numbers*** point to China's potential to become the global electric vehicle market leader. China's auto production increased by 48% last year, surpassing that of the U.S., to 13.8 million vehicles; yet its market remains largely untapped as only 1.7% of the Chinese own a car. Mc Kinsey Consulting has estimated that electric vehicle penetration may rise to 30% by 2030, creating a $220 billion market.

Second, Chinese government leaders view an electric conversion as a ***necessity*** given China's mounting and unsustainable air pollution and oil dependence. The electric alternative is particularly well suited to the Chinese driving profile of mostly intra-city commutes and low speeds.

Third, the Chinese government has embraced, and is actively promoting, a national electric vehicle ***strategy***. In its 11th five-year plan, Beijing established a priority goal of "independent innovation" in alternative fuel vehicles. Accordingly, the central government has offered an $8,800 per-vehicle subsidy in 13 cities to help local governments and taxi operators convert their auto fleets. Taxis alone account for almost a quarter-million vehicles in these cities. The government has also announced $1.5 billion in research subsidies over the next three years, and green tax credits to electric vehicle consumers.

Program Overview

The first IAS China Executive Study Mission will focus on the development of the electric vehicle industry and market in China. The mission's objective is to deepen the participants' understanding of all aspects of the Chinese electric vehicle sector, including policy framework, research and development, component manufacturing, vehicle assembly, distribution, and sales. Participants will engage in high-level meetings with policy-makers and planners, hands-on tours of China's top battery and electric vehicle plants, and discussions with researchers, business leaders and government officials at the city, provincial, and national levels. The mission spans three cities that are partaking in electric vehicle pilot programs: Beijing, Tianjin and Shenzhen. The multi-city format will also allow participants to observe the dynamics of inter-regional cooperation and competition.

This one-week mission is geared to executives at the senior vice president level and above. Upon arrival in Beijing, all lodging (five star hotels), food, domestic travel and translation expenses will be covered. Advice will be provided on visa applications and international travel logistics, and medical insurance will be purchased for any participant who requires it. Additionally, a team of China and energy specialists will brief participants before the mission and accompany them throughout the trip.

IAS has conducted ten steel study missions to China in the past. This China Executive Study Mission will benefit from the cooperation of the China Association for International Friendly Contact. The CAIFC was founded by a daughter of Deng Xiaoping and is headed by Li Zhaoxing, former foreign minister and ambassador to the United States.

Tentative Itinerary – Fall 2010

Date	City	Activity	Transportation
Fri. – Sun.	Beijing	Departure to Beijing Friday evening; arrival on Saturday; tourism on Sunday (Great Wall and other landmarks, pearl market, art colony, etc.)	Own arrangements
Mon.	Beijing	Meet with Chinese Minister of Science and Technology Wan Gang (former Audi engineer in Germany and former chief scientist of EV research in China) Meeting with NDRC experts Tour Beiqi Foton Motor, the leading Chinese producer of hybrid-electric buses Meet with State Grid Corporation executives to discuss roll-out of electric vehicle infrastructure	
Tues.	Beijing /Tianjin	Meet with head of Geely University Automotive Research Institute. Geely is China's largest private auto company and is currently in talks with the UK government about converting London's black cabs into an electric fleet Meet with head of Chana Auto's Beijing Engineering Institute, which just opened in December. Chana is the company behind China's first domestically researched and produced hybrid electric car	Evening train to Tianjin
Wed.	Tianjin	Tour Tianjin-Qingyuan Electric Vehicle Company and research center, which is supported by the Chinese government. Comparative tour of battery and other component manufacturers	Tianjin area via EV bus
Thurs.	Tianjin /Shenzhen	Meet with executives and tour facilities of Thunder Sky Energy Group, a top lithium-ion battery manufacturer	Morning flight to Shenzhen
Fri.	Shenzhen	All day with BYD: Meet with top executives and engineers at BYD, China's number one battery and electric car company. Its F3DM was billed as the world's first mass-produced plug-in hybrid at the latest North American auto show. BYD claims to have made a breakthrough in lithium ion ferrous phosphate technology, which it is using in its recently approved all-electric E6 cars. Tour EV showroom and component factories (BYD manufactures most components on its own)	

Contact Information

Participation is limited to 20 participants.

The cost is $6,000 per participant.

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