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Chinese Maker Hopes to Offer Electric Car for U.S. by Year-End

By NICK BUNKLEY

DETROIT — After a disastrous year for the auto industry, carmakers are working hard to exude optimism and confidence at this year's auto show.

On that score alone, the winner may be the Chinese company BYD Auto, which created a stir on Tuesday by announcing that it plans to start selling an [electric car](#) in California by the end of this year. That would make BYD the first company to sell Chinese-made vehicles in the United States.

It also would require the company to overcome numerous hurdles, including crash and emissions testing that can sometimes take years, not to mention arranging a network of dealers.

But BYD, which was founded just seven years ago, is fond of setting ambitious goals. An introductory video played before the company made its announcement said, almost as a side note, that BYD intends to be the largest automaker in the world by 2025.

"We've been talking for years about the imminent arrival of the Chinese, and it still seems to be imminent," said Jeremy Anwyl, chief executive of Edmunds.com, a Web site that gives car-buying advice to consumers. "It always seems to be 'later this year.' "

But Mr. Anwyl said BYD and other Chinese carmakers were making rapid progress, to the point that the quality and styling of their vehicles were less problematic than the difficulty of breaking into a large, mature market like the United States.

"They've got a long-term view, and they've certainly got the will," he said. "When they do come, it's going to almost be as disruptive as when the Japanese came."

The rest of the auto industry is closely watching [China](#). Many carmakers already have become familiar with BYD and other Chinese manufacturers by competing against them in that country, which overtook the United States as the world's largest automobile market last year with sales of 13.6 million vehicles.

[General Motors](#), the [Ford Motor Company](#) and others know it is only a matter of time before those companies begin challenging them in the United States, too. Later this year, China's biggest automaker, Geely, expects to close a deal to buy the Volvo brand from [Ford](#), and G.M. could conclude a sale of its Hummer brand to a Chinese industrial equipment maker.

"China's going to be a force going forward," Ford's chief executive, [Alan R. Mulally](#), said at the Automotive News World Congress, a conference being held near the auto show on Tuesday.

BYD executives said the first vehicle they wanted to sell in the United States was a battery-powered, five-passenger crossover vehicle called the e6. The company claims it would have a 205-mile range, and

drivers would charge the vehicle's battery by plugging it into an outlet at home or at fast-charging stations, which do not exist yet.

The e6 costs about \$40,000 to make, so government incentives would be important to making it affordable at first, said Henry Li, the general manager of BYD's auto export trade division. American consumers would buy the vehicle at stand-alone BYD dealerships, which have not been established, Mr. Li said.

Under repeated questioning by skeptical reporters, Mr. Li said that none of the obstacles would be insurmountable for BYD, which counts [Warren E. Buffett](#) among its investors.

"I think the market now is looking for electric cars," he said. But he cautioned, "We don't expect high volumes."

Mr. Li said that the e6 complied with all Chinese vehicle standards and that executives were confident it would ultimately meet far more stringent United States regulations.

"In the design, we already considered these requirements," he said.

This is BYD's third consecutive trip to the [Detroit auto show](#). A year ago, the company listed 2011 as its target for selling the e6 in the United States, and it listed a higher range, acceleration and top speed for the vehicle.

Other Chinese automakers have visited Detroit in the past, only to find that their vehicles — like the rhombus-shaped sedan with wheels on three axles and a bamboo interior in 2007 — were not taken seriously, and they have not returned.

Many of the Chinese contenders seemed to market themselves on the idea that they could undercut competitors on price, regardless of quality or design.

That is not the strategy at BYD, which already makes many of the batteries used in mobile phones and other electronics.

"The product," Mr. Li said, "has to be good."