China's BYD Sending Electric Cabs To London

The Associated Press

BEIJING (AP) — Chinese automaker BYD Co. is sending 50 electric cabs to London in a boost to China's struggling makers of all-electric vehicles.

BYD and cab company Green Tomato Cars Ltd. announced this week they will start trial use of 50 of BYD's e6 sedans in late 2013. They said it will be the British capital's first all-electric fleet.

BYD, one of whose investors is Warren Buffett's Berkshire Hathaway Corp., is seen by industry analysts as China's most advanced competitor in the infant electric vehicle industry.

The company has supplied 300 electric taxis and 200 electric buses used in the southern city of Shenzhen. It says the e6 can travel 300 kilometers (180 miles) on one charge.

BYD said it was supported in the London taxi venture by London & Partners, an agency set up by Mayor Boris Johnson to promote the city.

A Green Tomato Cars statement cited Johnson as saying promoting electric vehicles would help London achieve a government goal of making its taxis and minicabs zero-emissions by 2020.

China's government has promoted development of electric and hybrid auto technology with grants and other support to its auto industry but sales have been disappointing.

China's electric vehicle sales are falling behind the United States and Japan, according to McKinsey & Co. The consulting firm reported this week that sales of all-electric autos in China fell 31 percent in the second quarter to just 235 vehicles, compared with a 28 percent increase in the United States to 7,931 units.

That is well below the Chinese government's 2009 target of annual sales of 500,000 electric and hybrid vehicles by 2015, just three years from now.

McKinsey said China might be more successful if it de-emphasized all-electric vehicles and focused on developing hybrids that also have small internal combustion engines. That could help to reduce "range anxiety" — fears a car might run out of power, leaving the driver stranded.

The Chinese government has given signs it might be making such a change. A Cabinet statement earlier this year on auto policy affirmed support for electric vehicles but also broadened the industry's goals by calling for development of non-plug-in hybrids and more efficient gasoline engines.

BYD said in August its first-half profit plunged 94 percent to 16 million yuan ($2.5 million) due to China's economic slowdown and tougher competition in the world's biggest auto market.

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