Editorial

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The last international colloquium of Gerpisa was organised in Kyoto (Japan) and gave us the opportunity to focus the works of the current international programme on Asia. Asia is today the driving force behind the structuring of new automotive industries in emerging countries. This major transformation process has several crucial implications for all the players of the global automotive industry and raises key questions for the future of the sector.

We expected in particular the fast development of China both as the main world automotive market and producer to trigger radical changes at all the levels of the productive models. We expected a rapid shift towards electric mobility, the emergence of new domestic players as the leaders in this trend, and more generally an important and widespread wave of innovations to adjust the supply of the world carmakers (and of their joint-ventures with local producers) to the specificities of this market both in terms of demand and regulations.

This hypothesis was based on quite solid grounds: China displayed an ambitious central government policy to promote electric mobility and had all the reasons to do so due to is heavy dependence on oil imports and high level of pollution and congestion in urban areas. Furthermore, Chinese domestic carmakers were expected to rely on leapfrogging strategies towards new technologies in order to contest the hegemony of traditional western players on the existing technological paradigm.

However, despite the constant inflow of massive investments and the important development of local R&D activities on Chinese soil, almost none of these changes have really taken place. Indeed, quite surprisingly from our perspective, rather the opposite is true. As stressed by both Lüthje and Tian and Li in this special issue of *IJATM*, the sale and production of electric cars in China has been very limited, while the very traditional supply of conventional, polluting and expensive cars has been very successful. Both these papers provide though some crucial insights into why China has become, so far, a very conservative market rather than the innovating and destabilising one expected by many.

Li focuses his attention on two Chinese companies which have taken the road of innovation and concentrated their production and efforts on electric cars and vehicles: the battery producers BYD which has successfully moved towards car production, and the smaller Baoya company (previously involved in the production and trade of electric bikes) which has been amongst the pioneers in the production of low-speed electric vehicles. Li shows that both these companies have managed to develop products and technologies that could provide solutions to the already mentioned problems of high dependence of China on oil imports, traffic pollution and congestion in urban areas, and to the no less crucial challenge of developing automobility in rural areas. However, central government regulations have failed so far to build a market environment favourable to electric cars and have been quite hostile towards the low-speed vehicles' solution to the problem of rural automobility.

Lüthje and Tian also point to political failures in order to explain the difficulties in rebalancing the socio-economic growth model of China towards rising incomes and better protection of the environment. On the one hand, they show how the actual growth of the Chinese automobile market has not been based on rising incomes but on extensive investment in infrastructure and accelerated urbanisation. This explains notably the success of conventional and luxury models since only a very small part of the population benefits from this type of economic growth. On the other hand, they identify in the dual role of central and regional governments as owners of major joint ventures with Western carmakers and as industry regulators, the main factor explaining the lack of policies to promote the required shift towards a more balanced growth model which would be much more favourable to innovative strategies and products.

Asian exceptional dynamism however is not only concentrated in China. As Kobayashi et al. show in the paper published in this special issue, ASEAN countries are also undergoing dramatic changes. His analysis focuses on the 'ASEAN Economic Community 2015' (AEC) policy of economic integration. It highlights the dominant positions of countries such as Thailand and Indonesia where most of the production is fully integrated and which could be therefore exported at zero tariffs to the other ASEAN countries after 2018. But it also raises the key question of industrial upgrading for countries such as Vietnam and Myanmar where most of the production is limited to the assembly of CKD for the local markets and which will be penalised by the new regulatory framework if production does not reach a local content of at least 40%. The interesting case studies of two of these assemblers of CKDs from foreign carmakers, the Malaysian Tan Chong and the Vietnamese THACO, which both enjoy strong market shares and excellent growth, show that these companies have acquired the competencies and the strategic power to take advantage of the AEC policy. On the one hand, they are able to force their customer to localise the production of a higher proportion of parts and components for CKDs in their own countries. And on the other hand, they managed to expand overseas in order to increase their total production volume as a way to achieve higher local content.

In the tradition of Gerpisa works, the paper of Choi in this special issue traces the trajectory of one of the major Asian carmaker, Hyundai. But it takes a quite original angle: the historical development of core design and styling competencies. Choi shows that the recent success of the group brands (including Kya) in terms of model styling should not be simply attributed to the hiring of German designers since 2006, but takes roots back in the 1970s (and even earlier). The paper analyses in detail the 'incessant struggle' of Hyundai to catch up with Western carmakers and brands at all the levels of engineering, and this included the early development of styling capabilities that have progressively built up and have now turned into a competitive advantage for the Korean group.

In the last paper of this special issue, which has been awarded the 'young prize' of Gerpisa, Demoli brings us back to Europe, and more particularly to France. The paper develops an intriguing and detailed analysis of the French households' expenditure for cars and motoring over the last three decades. It raises the key question of the nature of the automobile good and of the possible mismatches between the supply of carmakers (which focuses on a shrinking proportion of well-offs) and the demand of households (which increasingly shifts towards second hand cars).

Such mismatches, as those highlighted by Lüthje and Tian and Li on the Chinese market, suggest that there is a huge potential for innovation, in both emerging and mature markets. Missing, potential and unexpected innovations in design, production and styling constitute therefore the common theme of this special issue. And this is indeed a very important topic for Gerpisa, which will be also at the core of our next international colloquium in Paris.