AUTOMARK MAGAZINE • EXCLUSIVE INDUSTRY RETROSPECTIVE (1995–2026)

The China I Once Saw Learning to Build Vehicles Is Now Challenging the World's Automakers

The Remarkable Story of China's Automobile Industry — An Eyewitness Account of an Industrial Revolution

By **Anwar Iqbal** (Pakistan Automobile Industry Practitioner) | Published in **Automark Magazine** (Courtesy of **Hanif Memon**) | Compiled by **SAZZ Re-search Information**

AUTHOR'S NOTE & EDITORIAL CONTEXT

This feature chronicles more than three decades of my personal and professional engagement with China's automotive and motorcycle industries, beginning with my first industrial visit in 1995. Working directly alongside Chinese manufacturers, engineers, and factory owners in Chongqing, Wuhan, and Hefei—and pioneering projects such as introducing Chinese motorcycle brands and converting Chinese commercial vehicles to right-hand drive for Pakistan—afforded me a rare front-row seat to one of modern history's most extraordinary industrial transformations. Offered not merely as historical reflection, this eyewitness account holds an urgent practical lesson for emerging industrial nations like Pakistan: lasting progress comes only when assembly evolves into genuine engineering, research, and self-reliance.

— Anwar Iqbal, Contributor, Automark Magazine

EYEWITNESS BEGINNINGS: PAKISTAN–CHINA TIES (1995)

When I first visited China in 1995, I scarcely realized I was stepping into an industrial world that would reshape the global automobile map over the next thirty years. The China of that era was vastly different from the China of today. Its streets were crowded with bicycles, its motorcycle industry was rapidly emerging, and passenger vehicle manufacturing was still in its infancy. Global opinion regarding products manufactured in Chinese factories was largely unfavorable; Chinese goods were widely viewed as cheap, less durable imitations of Western products. I was associated with Pakistan's automobile industry then, as I still am today. My purpose in traveling to China was not mere tourism, but to establish commercial and technical ties with its nascent motorcycle and automotive sectors.

During those visits, I had the opportunity to work closely with numerous industrial enterprises and manufacturers, particularly in major industrial hubs such as Chongqing and Wuhan. From there, I acquired motorcycle technology, launched Chinese motorcycle projects in Pakistan, and played a hands-on role in manufacturing and introducing brands like Hero and Star to the local market. Later, I also worked on Chinese trucks and light commercial vehicles—importing them to Pakistan, putting them into operation, and introducing technical modifications tailored to Pakistani requirements.

Installing a diesel engine into a petrol-powered vehicle was one such initiative. To have a light commercial vehicle manufactured in China according to Pakistan's right-hand-drive system, I even had to carry steering conversion parts and components from Pakistan to China. This was far more than simple buying and selling; the process gave me a close-up understanding of Chinese engineers, artisans, factory owners, and their industrial mindset.

> ***"One trait impressed me deeply: they felt no embarrassment in admitting they lacked a particular technology. Instead, they acquired it, mastered it, adapted it to their needs, and worked relentlessly to improve it."***



Building a Right-Hand-Drive Vehicle in China — Hefei, 1995

Anwar Iqbal in Hefei, capital of Anhui Province, beside the blue pickup truck built in right-hand drive using steering conversion components brought from Pakistan—believed to be the first locally manufactured Chinese vehicle configured in RHD for a Pakistani practitioner.

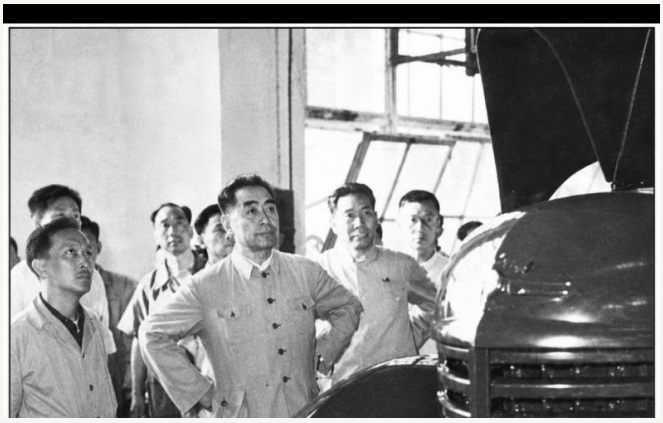
EARLY FOUNDATIONS: FAW & THE FIRST TRUCKS (1953–1958)

At that time, hardly anyone could have imagined that this very China would one day challenge the automotive giants of Germany, Japan, the United States, and Europe with its own products and technology. Yet the roots of this story stretched back long before my 1995 trip. The foundation of China's modern automotive industry was laid in 1953 in the north-

eastern city of Changchun, where the country's first major state-owned automotive plant—First Automobile Works (FAW)—was established. The Soviet Union played a foundational role in its construction, and China began manufacturing vehicles with the help of Russian engineers, machinery, and technology.

In 1956, the first generation of mass-produced Chinese trucks rolled off the assembly line at this plant. These were the Jiefang CA10 trucks, modeled on the Soviet ZIS-150 design. *Jiefang* meant "Liberation." Consider that a nation whose fledgling auto industry once needed Soviet technology just to build a truck is today producing the world's most advanced electric vehicles, batteries, and computerized automotive systems. From the outset, China did not insist that everything had to be homegrown; it chose first to learn from the world.

In 1958, FAW took another historic step by producing China's first luxury state limousine, named *Hongqi*—meaning "Red Flag" in Chinese. The technology and styling of this early Hongqi bore unmistakable influences from 1950s American automobiles, particularly Chrysler. Chinese engineers adapted its large engine, sturdy chassis, and dignified American proportions in their own style, incorporating subtle elements of Chinese cultural artistry into its exterior detailing. This vehicle was built for senior government officials, visiting foreign heads of state, and ceremonial occasions.



China's First Mass-Produced Truck — 1956

Premier Zhou Enlai inspecting China's first "Liberation" (Jiefang CA10) truck at the FAW Changchun plant in 1956.



China's First "Hongqi" State Limousine — 1958

Top: Assembly and engineering refinement at FAW. Bottom: The new state limousine's first public unveiling.

OPENING UP & BUILDING A DOMESTIC ECOSYSTEM (1978–1990S)

Looking at the Hongqi of that era, no one would have dreamed that vehicles bearing the same badge would one day stand alongside the world's premier luxury marques. However, the true turning point in China's automotive revolution arrived in 1978, when Deng Xiaoping initiated economic reforms and opened China's economy to the world. China invited foreign automakers to enter the country, establish joint-venture factories, and benefit from its workforce and vast market in exchange for transferring modern technology, industrial know-how, and local manufacturing capabilities.

In 1983, the American Motors Corporation partnered in the Beijing Jeep joint venture. The following year, Germany's Volkswagen established a joint venture with Shanghai Automotive Industry Corporation (SAIC), spurring local production of the Volkswagen Santana. In 1991, Volkswagen formed another major joint venture with FAW in Changchun, advancing production and technology for the Jetta and later Audi models. France's Peugeot entered Guangzhou in 1985, while Citroën launched a joint venture with Dongfeng in the early 1990s. Renault partnered with the Sanjiang Group in 1993 to produce light commercial vehicles, notably the Renault Trafic. During the same period, Japanese automakers including Isuzu and Suzuki also transferred technology to China. In the heavy-truck sector, North Benz (later Beiben) acquired Mercedes-Benz technology in 1988.

Thus, China simultaneously absorbed specialized technologies from multiple nations: modern passenger-car engineering from Germany, compact

THE ELECTRIC VEHICLE LEAP & GLOBAL REALIGNMENT

The China I saw acquiring automotive technology in 1995 gradually began adapting that knowledge to its own vision. Over the ensuing years, every time I visited or worked with its industry, a new stage of transformation was underway. First, they acquired technology to build vehicles; next, they created their own brands; then, they strengthened domestic engineering and R&D; and finally, they began producing cars capable of competing with global benchmarks not merely on price, but on technology and features. Then came the era of electric vehicles.

That shift opened the door to a fundamental realignment of power in the global auto industry. Legacy automakers had spent more than a century perfecting internal combustion engines, gearboxes, fuel-injection systems, and complex mechanical drivetrains. Electric vehicles rewrote the rules of competition. Supremacy no longer depended solely on building the finest combustion engine; batteries, electric motors, power electronics, software, artificial intelligence, and electronic control systems became central to vehicle performance and user experience.

China recognized this transition early. It invested heavily in battery R&D and manufacturing, perfected cost-effective chemistries such as lithium iron phosphate (LFP), and built advanced automotive software and electrical architectures. Companies such as BYD, Geely, Chery, Great Wall, NIO, and XPeng rose to prominence in this new industrial landscape, while CATL and BYD became global powerhouses in battery technology.

and economical vehicle technology from Japan, utility-vehicle expertise from the United States, passenger and commercial platforms from France, and foundational heavy-vehicle manufacturing from Russia. Throughout this process, China remained focused on one critical goal: it refused to remain a mere assembly hub for foreign brands.

Here, I would like to share an observation grounded in my own experience in Pakistan. In the automotive industry, importing knocked-down kits from abroad and bolting them together is no great industrial achievement. True success begins when a country moves toward self-reliance in component manufacturing, design, engineering, quality control, research, and new product development. That is precisely what China did. Around the joint-venture plants, it built an expansive ecosystem of domestic parts suppliers. Millions of skilled workers, engineers, and technicians were trained. Industrial research institutes were established, universities were linked directly with industry, and modern machinery and production methods were adopted. There were setbacks along the way: several joint ventures struggled, early vehicle quality often fell short of international standards, and some Chinese manufacturers drew criticism for copying foreign designs. Yet China never allowed these failures to halt its progress; it kept refining and upgrading its products.

TRADE BARRIERS & REVERSE TECHNOLOGY TRANSFER

It would be inaccurate to suggest that government support played no role in China's rise. China undeniably provided incentives, strategic planning, and financial backing to nurture its automotive sector, especially electric vehicles and batteries. Yet has the industrial development of the United States, Europe, or Japan ever been entirely free of state policy, R&D subsidies, and industrial protection? Certainly not. The difference is that China integrated government policy, manufacturing, research, infrastructure, and a massive domestic market into one cohesive industrial strategy. Now that the results are visible to the world, a striking paradox has emerged: Western nations that spent decades championing free trade, open markets, and global competition are erecting new protectionist walls against competitive Chinese vehicles.

After imposing steep import tariffs on Chinese electric vehicles, the United States moved toward phased restrictions on connected vehicles, software, and hardware linked to Chinese technology, citing national security, data privacy, and cybersecurity concerns. Modern vehicles are rolling digital platforms packed with computers, sensors, and communication modules, so data-security questions cannot be dismissed. Still, a crucial question remains: should such concerns be addressed through transparent technical standards and uniform rules, or by shutting an entire nation's auto industry out of a major market? Europe, too, has imposed additional anti-subsidy tariffs on Chinese EV imports exceeding 35% for certain manufacturers. Yet no nation's industry can be made permanently competitive behind tariff walls alone.

Perhaps the most fascinating twist in this story is how China's industrial rise has reshaped the strategy of Western automakers themselves. Decades ago, Volkswagen brought its automotive technology to China; today, that same Volkswagen is partnering with China's XPeng to develop electronic architectures and software for next-generation electric vehicles. Audi, another pillar of German automotive engineering, is collaborating with China's SAIC to build a new generation of EVs. Until yesterday, Chinese companies were learning modern technology from Western firms; today, in key domains, Western giants are drawing on Chinese technological expertise.

Today, Chinese vehicles offer features that only a few years ago belonged to science fiction: advanced driver-assistance systems, autonomous parking, voice-activated controls, expansive digital cockpits, over-the-air software updates, sophisticated cameras, and dense sensor arrays. Most remarkably, Chinese automakers deliver these capabilities at price points Western manufacturers struggle to match.

GLOBAL EV MILESTONE (2025 IEA DATA)

According to the International Energy Agency (IEA), roughly **55%** of all new cars sold in China in 2025 were battery-electric or plug-in hybrids, and nearly **6 out of every 10** electric cars sold worldwide that year were purchased in the Chinese market—the triumph of an entire industrial ecosystem.

LESSONS FOR PAKISTAN & RETURN OF THE RED FLAG

Whenever I look back on my early visits to China, I reflect on how much countries like Pakistan can learn from this journey. For decades, Pakistan's auto sector has also engaged in foreign partnerships, local parts manufacturing, and vehicle assembly, with many talented Pakistani engineers, industrialists, and technicians making commendable contributions. Yet we must ask ourselves honestly: over all these decades, have we built the deep domestic engineering, research, and design capacity needed to develop new vehicles of our own? China's success holds an unmistakable lesson for us: true industrial progress does not mean merely assembling foreign brands at home. The real goal is building the capability to design our own vehicles, advance our own technology, and compete in global markets.

I want to conclude with the very car with which this essay began: Hongqi—the Red Flag. When China built its first luxury Hongqi in 1958, its styling and mechanics drew heavily on American cars, especially Chrysler. Today, Hongqi stands among China's premier luxury marques, and models in its Golden Sunflower series—particularly the **Hongqi Guoli**—embody a new era of Chinese industrial confidence. Introduced in 2024 with a starting price of 7.18 million yuan (roughly US$1 million at the time), the Hongqi Guoli pairs a modern V8 powertrain with bespoke craftsmanship, positioning itself in the ultra-luxury realm alongside icons like Rolls-Royce. Rolls-Royce commands over a century of heritage that Hongqi still has much to prove to match, yet pause and reflect on the sheer arc of this journey.

In 1958, a nation leaned on American automotive technology to craft its first state limousine; today, that same nation presents a million-dollar ultra-luxury flagship of its own making to the world. If today's Hongqi Guoli had been parked before the Chinese engineers and factory workers I met in 1995, would they have believed their country could come so far in just three decades? For me personally, the most rewarding part of this entire story is having witnessed its beginning with my own eyes. In 1995, I traveled to a China that was learning from the world how to make vehicles. Today, in 2026, the world's foremost automakers are learning new technologies from China. In industrial history, there could hardly be a more fitting definition of success.

NOTE OF GRATITUDE & PUBLICATION ACKNOWLEDGMENT

Special gratitude and heartfelt thanks are extended to **Mr. Hanif Memon** and the entire editorial team of **Automark Magazine** for their steadfast dedication to automotive journalism in Pakistan and for publishing this eyewitness account for industry stakeholders, policymakers, and readers. Mr. Hanif Memon's longstanding commitment to documenting Pakistan's automobile sector, fostering informed policy dialogue, and spotlighting global industrial lessons continues to serve as a vital bridge between industry practitioners and the wider public.

With sincere appreciation, Anwar Iqbal