

Toyota to set up research venture to develop electric vehicles

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Chinese electric car maker BYD Co Ltd and Japan's Toyota Motor Corp said on Thursday they planned to set up a joint venture to design and develop battery electric cars as they ramp up efforts to produce zero emissions vehicles.

The two companies said in a statement that they would each invest 50% of the capital needed to establish the company, which will be set up next year and be based in China. The companies did not disclose the value of the venture.

THE COMPANIES SAID THEY WOULD DEVELOP BATTERY-ELECTRIC SEDANS AND SPORT UTILITY VEHICLES, WHICH WOULD THEN BE SOLD UNDER THE TOYOTA BRAND IN CHINA BEFORE 2025

Widely considered a late comer in embracing battery EVs, compared with rivals including Nissan, Toyota had flagged in June that it aimed to get half of its global sales from EVs, including gasoline hybrids, by 2025, five years ahead of schedule.

The venture aims to develop vehicles that run solely on batteries, rather than plug-in hybrid or gasoline-electric vehicles which also have a combustion engine.

In July, the companies said they would develop battery-electric sedans and sport utility vehicles, which would then be sold under the Toyota brand in China before 2025.

Toyota also develops hydrogen fuel-cell vehicles and plans to launch fuel-cell car models with its Chinese partners, Guangzhou Automobile Group (GAC) and FAW Group, in China, as the world's largest auto market increases support for fuel-cell vehicles.

Shenzhen-based BYD, backed by Warren Buffett, whose models include the Song series and the Qin plug-in hybrid electric vehicle, aims to move to completely electric-powered vehicles. However, its profits are expected to drop this year as China cuts subsidies on EV.