



The presence of Chinese automakers in the EU car market



June 2026

Key finding: The EU's EVs tariffs worked but will not stem the rise of Chinese EV sales into the EU.

The 'positive' impact of the EU's EV tariffs:

- **Made-in-China cars dropped to 17% of BEV sales (Q1 2026, EU) down from a peak of 22% in 2024 (activation of EV tariffs). Volumes have stabilised around 350k units.**
- **Chinese OEMs are responsive to tariffs** but the EU's different rates lead to different results. SAIC's (35% tariff) sales into the EU nearly halved with respect to a 2023 peak. BYD's (17%) sales more than doubled.
- **Western OEMs shifted production to Europe. European OEMs'** Made-in-China BEV imports dropped from 38% to 23% between 2024 and Q1 2026, while **Tesla** dropped from 26% to 19% over the same period (down from 55% in 2021)
- **Chinese OEMs are onshoring BEV production to Europe** with production set to increase to 600k units in 2035. **10 planned production facilities** have been announced since the EU Commission president opened the anti-subsidy investigation in September 2023.

Where the EV tariffs fell short:

- **Battery exports (exempt from tariffs) from China have increased seven fold** from around \$4bn in 2020 to nearly \$30bn in 2025.
- **Chinese EVs remain 21% cheaper on average and Chinese OEMs' share of cars shipped from China to Europe has** risen from 35% to 54% (offsetting lower European and Tesla imports).
- **Made-in China PHEVs (exempt from tariffs) rose** from 37% (2024) to 60% (2026) of total PHEV imports into the EU.
- Despite onshoring, **Made-in-China BEVs are expected to account for 60% of Chinese brand sales in Europe**, rising from 350k units in 2025 to 850k by 2035.
- Chinese onshoring is heavily focused on 3 countries: Turkey, Hungary and Spain.
- Chinese-brand BEV could displace **~10 legacy car factories**.
- **Lower BEV sales by EU carmakers co-determine China's BEV market share in the EU. Weaker EV targets** (in line with the proposals discussed in the EU Parliament) **would increase the market share of Chinese carmakers from 15% to 30% of BEVs in 2035** (with a majority being Made-in-China).

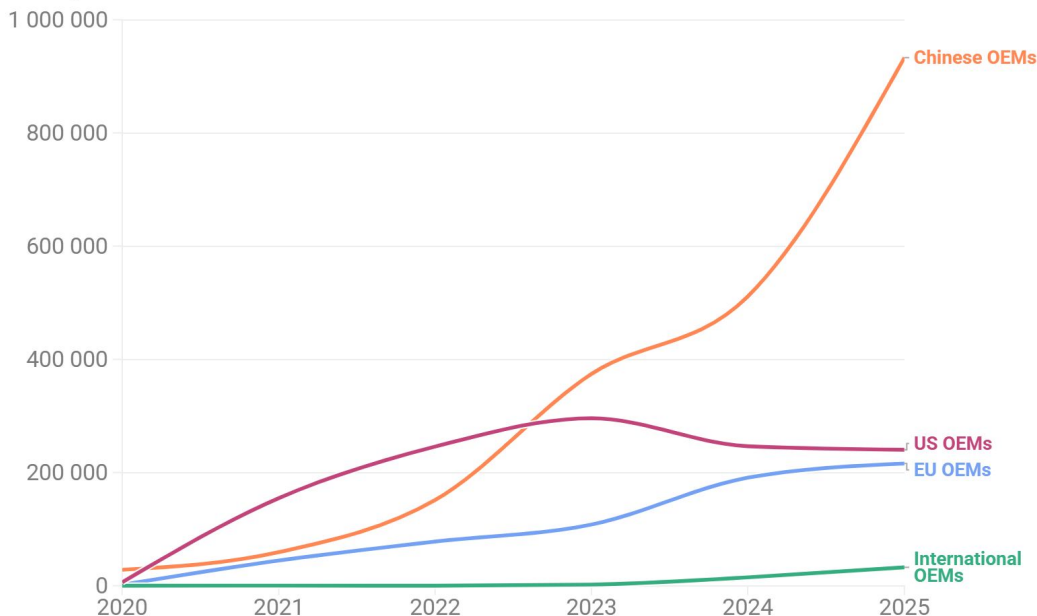
Exports from Chinese automakers have surged to 1m cars per year

**Chinese OEMs
are turning to
exports to
absorb
overcapacity**

**Europe is a key export
destination (30%, incl. 8%
for the UK), second to
Asia-Pacific**

Global BEV exports from Chinese carmakers are surging

BEV exported from China

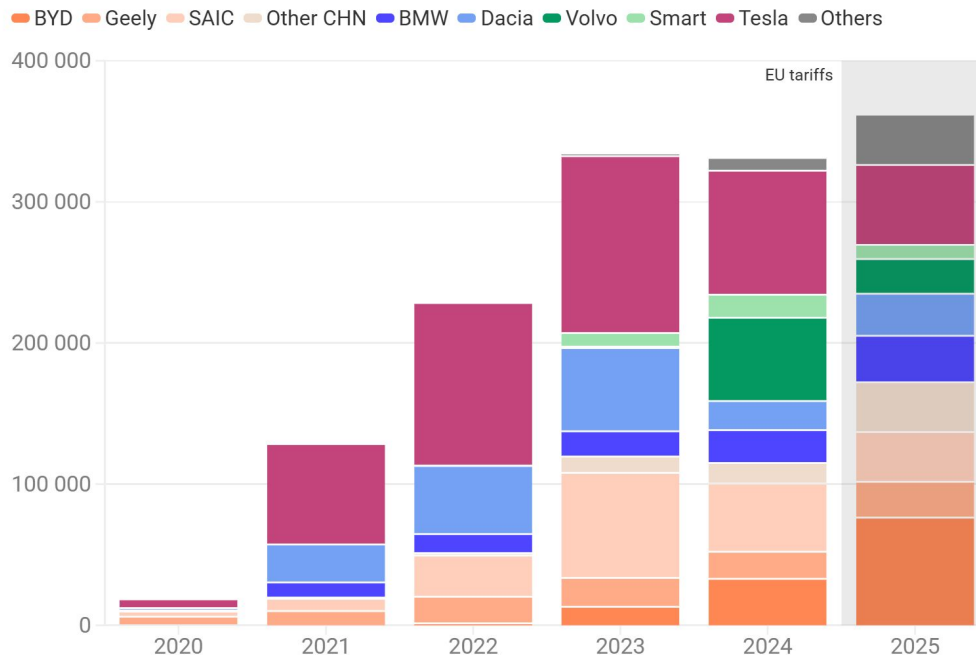


Source: T&E Analysis, EV-Volumes

Imports of Made-in-China BEVs have stabilised at around 350k units

- **EV tariffs worked (for EU and US OEMs), but have not stemmed Chinese OEM's overcapacity-driven exports.**
- Imports from China at 350k units in 2025, driven by an increase from BYD and Geely.
- International brands such as Tesla, Volvo and Smart reduced their imports.

Volumes of BEV imported from China - historical data



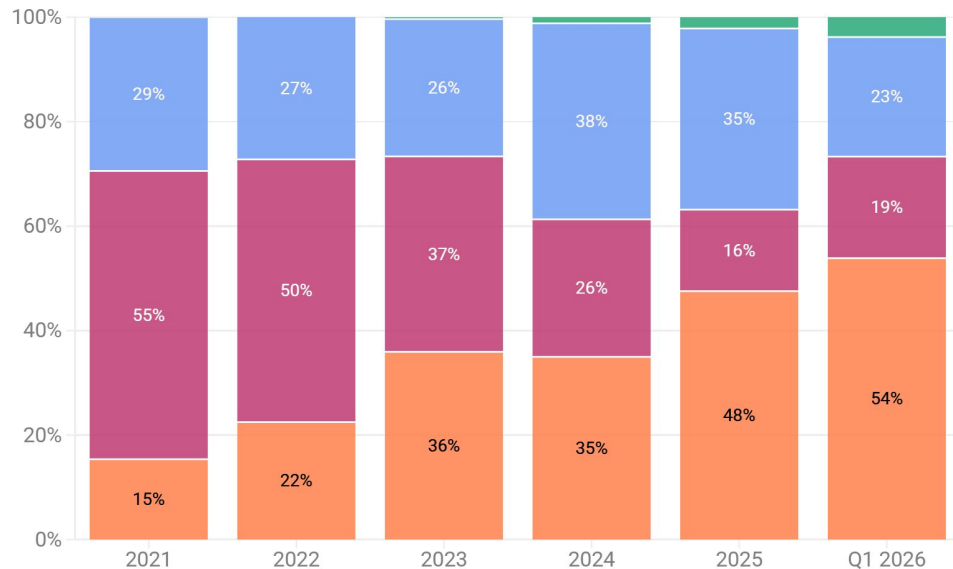
Source: T&E Analysis, EV-Volumes • Scope: passenger cars in the EU imported from China

Chinese OEMs now account for more than half of BEV imports from China

In 2026, most BEVs imported from China are from Chinese OEMs

Chinese OEM Tesla European OEM Other OEM

Share of BEV imported from China



Source: EV Volumes • Scope: car, SUV and MPV segments, EU27

- Chinese OEMs now account for more than half of imports from China (from 15% in 2021).
- Over the same period, Tesla's share of imports dropped from 55% to 19% as they localised to Berlin (2022).
- EU OEM imports dropped from 38% to 23% between 2024 and Q1 2026 (localisation of models like Volvo EX30).

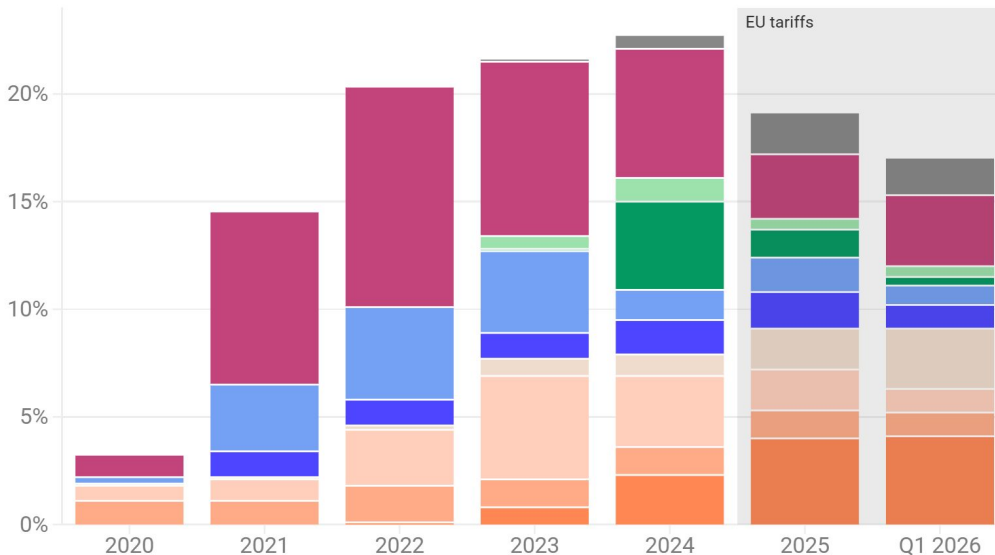
Made-in-China BEVs now account for 17% of BEVs

- The share of BEVs that are made-in-China BEVs peaked in 2024 with the activation of EU EV tariffs.
- Growth of the EU BEV sales from 2025 (car CO2 targets), led to a contraction of the share of Made-in-China BEVs despite volume of imports from China growing in 2025.
- SAIC, Tesla, Volvo and Smart (Other INT) reduced imports (and often onshored), while Chinese carmakers like BYD, Geely grew their share despite the growing market

Share of BEV imported from China - historical data

BYD Geely SAIC Other CHN BMW Dacia Volvo Smart Tesla Others

Share of the EU BEV market imported from China

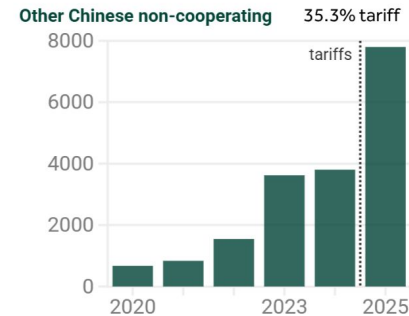
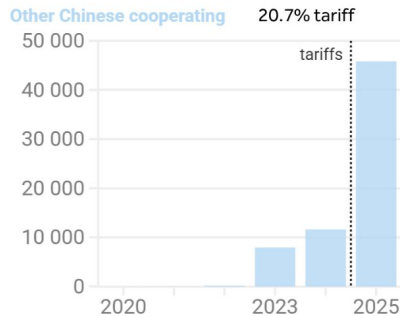
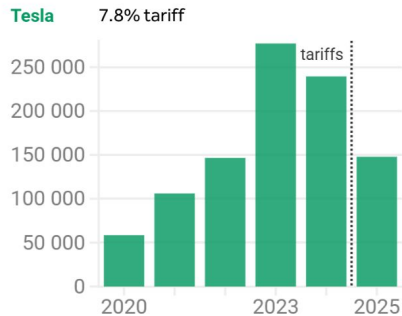
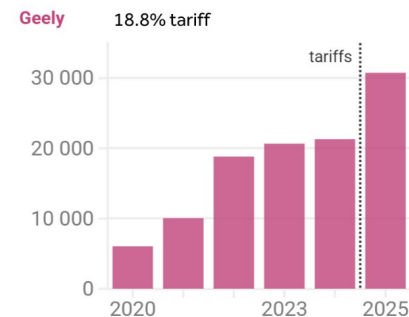
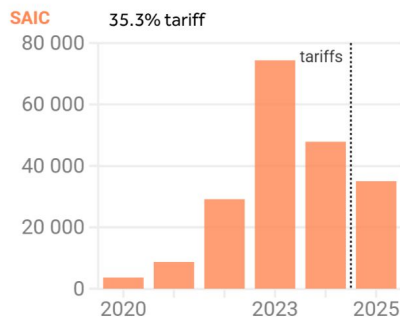
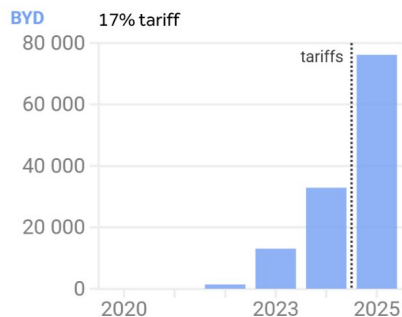


Source: T&E Analysis, EV-Volumes • Scope: passenger cars in the EU imported from China

Tariffs effect on Chinese carmakers: BYD vs SAIC

Lower tariffs (17%) for BYD allowed BEV sales to grow, while higher tariffs for SAIC (35%) led to a decrease

Volumes of BEV imported in the EU from China by carmaker



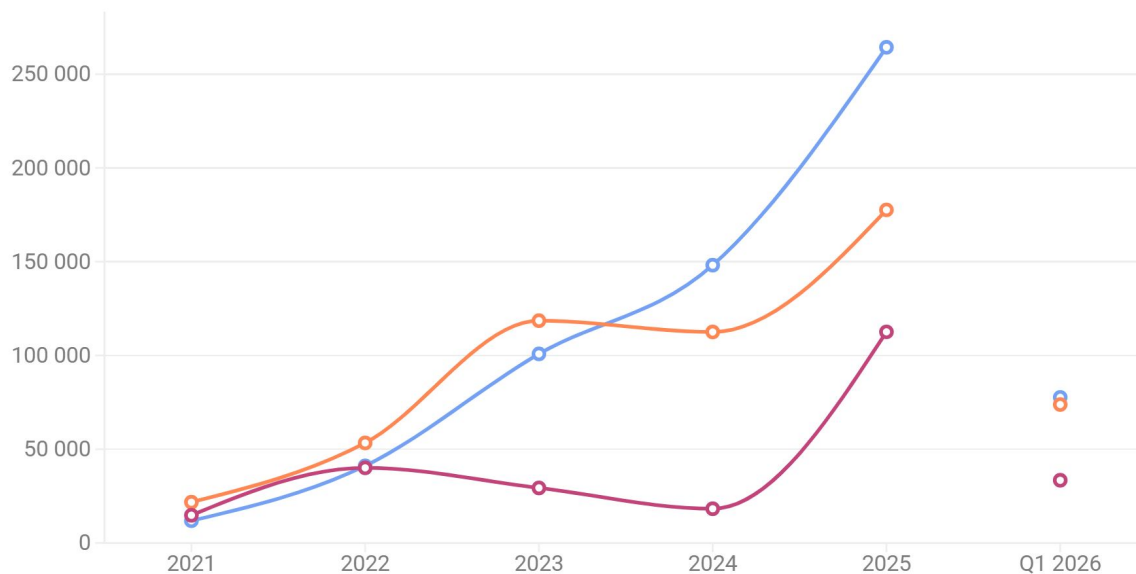
Total car sales from Chinese automakers grew to 550k units in 2025

**550k cars sold
in the EU by
Chinese OEMs
in 2025**
(around half are ICEs)

97% of Chinese-brand
ICEs are imports vs
97% for PHEVs and
99% for BEVs

Chinese automakers sales in EU countries

ICE BEV PHEV ICE Q1 2026 BEV Q1 2026 PHEV Q1 2026



Source: T&E analysis, GlobalData

Weaker CO₂ targets will cede the BEV market to Chinese carmakers

A weakening of the CO₂ targets (in line with the proposal from the lead rapporteur in the European Parliament, M. Salini) would **increase the market share of Chinese carmakers from 15% to 30% in 2035**.

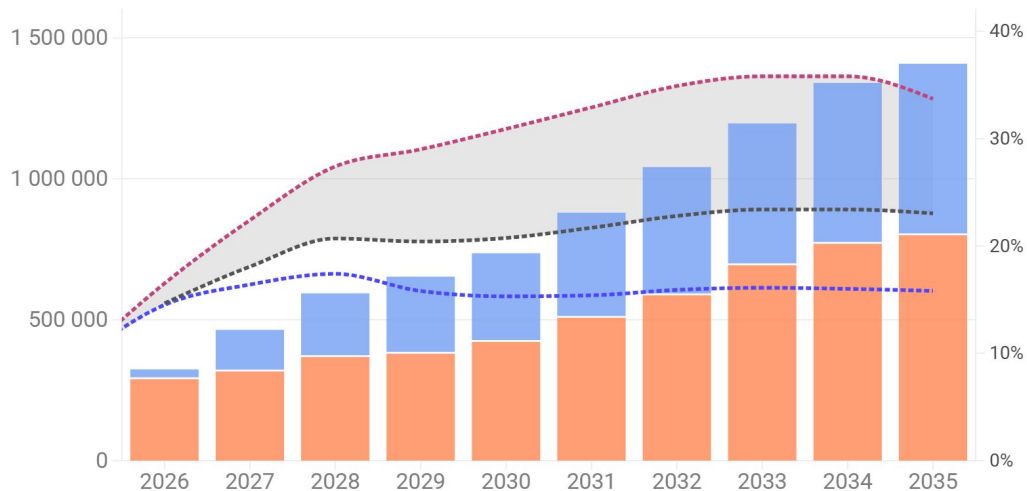
Imports account for ~60% of Chinese brand BEV sales in 2030-2035. As a result Chinese brand imports from China could rise to 17% of BEV sales if the targets are weakened or decrease to 8% if they are kept (from 9% today).

Projected presence of Chinese carmakers in the EU market. By volume and share.

■ EU Commission proposal ■ Salini central scenario ■ Salini worst case scenario
■ Import ■ Domestic

Columns - Volume of Chinese carmakers BEVs

Lines - Chinese carmakers share of BEVs

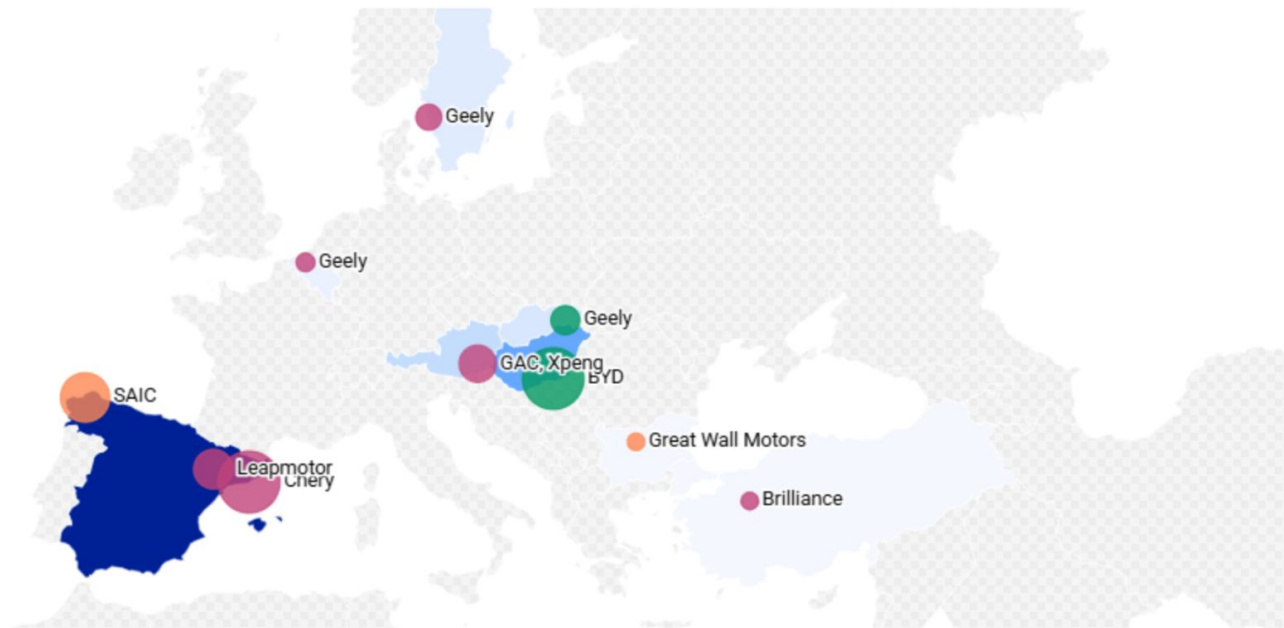


Source: T&E Analysis, GlobalData • The volume of Chinese carmakers BEV is assumed constant in the three scenarios

Chinese production in the EU - plants localisation

Chinese OEMs production in Europe will be focused in Spain

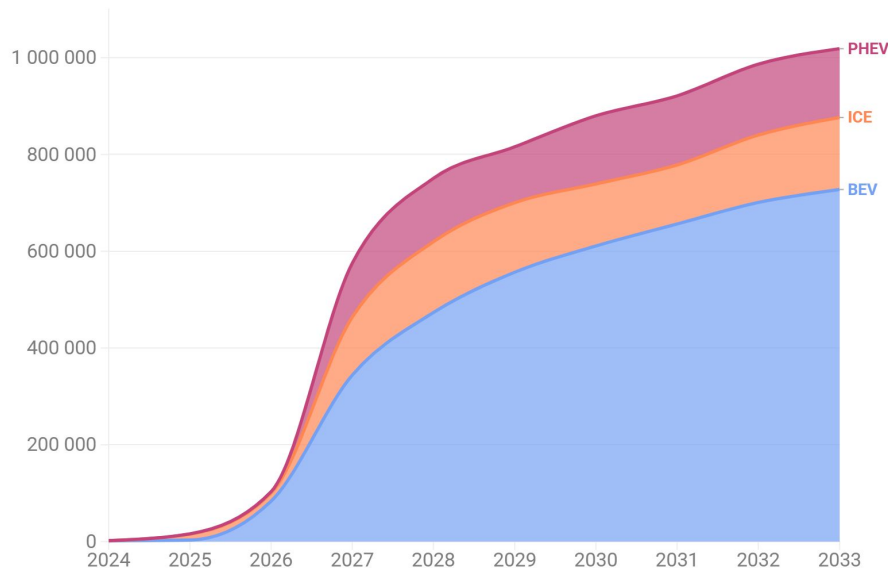
2237 395 913 4500 9000 Brownfield Mixed Greenfield



Source: T&E Analysis, GlobalData and public carmaker's announcements • Figures are for the year 2030

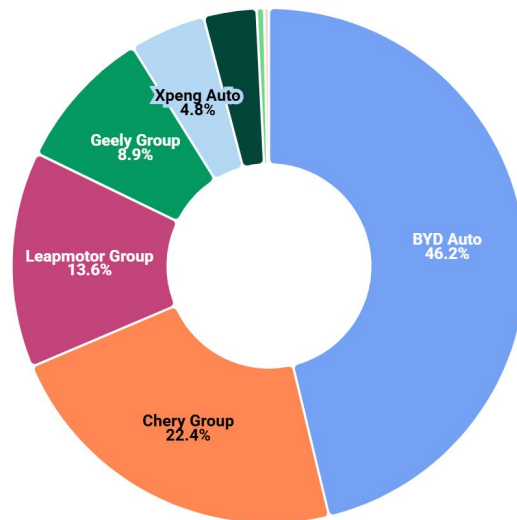
Chinese OEM are onshoring production - from 0 to 1m (mostly BEVs)

Volumes of vehicles from Chinese OEMs produced in EU plants



Source: T&E Anlysis, GlobalData

Cumulative projected share of Chinese production in the EU per OEM (2024-2033)



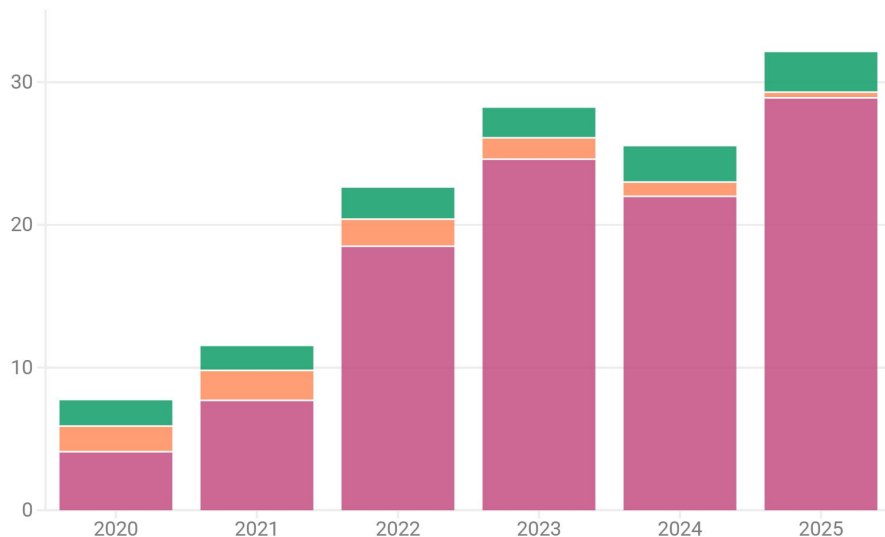
Source: T&E Anlysis, GlobalData

The EU relies heavily on ultra-low tariff battery imports from China

Battery exports from China have increased seven fold from around \$4bn in 2020 to nearly \$30bn in 2025

China Korea Other

Imported value (bn \$)

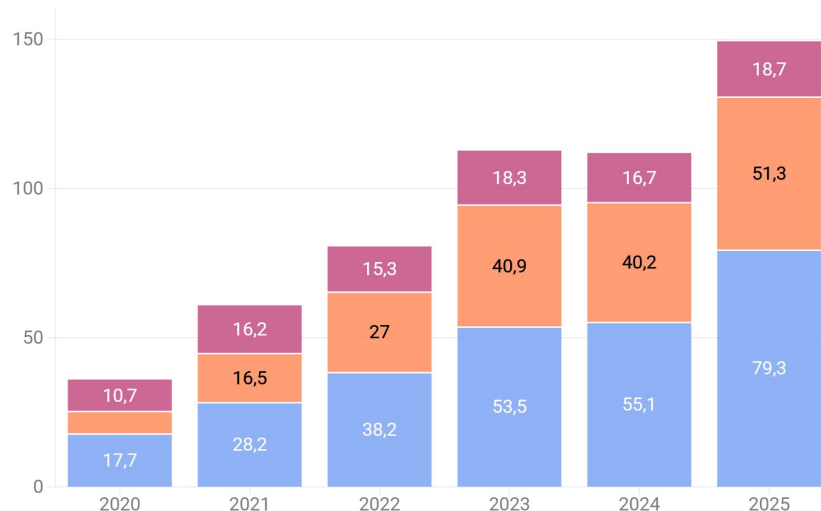


Source: UN Comtrade • Imports of HS Code 850760, not accounting for batteries imported in finished vehicles.

Around half of the battery capacity for EVs sold in the EU is imported

Made-in-Europe battery Made-in-China battery Other imported batteries

Total battery demand of EVs sold in the EU [GWh]



Source: T&E Analysis, EV-Volumes, GlobalData • Scope: passenger cars sold in the EU, BEV and PHEV powertrains

Conclusion

Chinese overcapacity demands stronger EU regulatory action and trade defense

The Chinese EV market has returned to growth despite reports of a sales collapse after the scrapping of Chinese EV subsidies early 2026. China's rapid electrification continues, relying heavily on export markets to absorb significant domestic overcapacity. With the US market effectively closed, Europe represents a primary destination (second to the APAC region) where vehicles can be sold at higher profit margins.

While the 2024 BEV tariffs successfully drove the relocation of Western OEMs and the onshoring (or nearshoring in Turkey) of Chinese production, pressure remains acute. Rising imports of Chinese-manufactured BEVs, PHEVs, and ICE vehicles —fueled by unprecedented overcapacity— threaten EU automaker employment, necessitating decisive policy intervention.

To address this, the EU must: 1) ensure European automakers remain on track and prioritise EV sales by safeguarding the ambition of EU car CO₂ regulations; 2) establish robust final investment decision (FDI) rules for Chinese OEMs producing in Europe under the IAA; and 3) activate appropriate trade defense mechanisms.

Specifically, the EU must increase tariffs on Chinese battery imports. These duties remain exceptionally low (1–3%) despite the EV anti-subsidy investigation confirming that Chinese battery production is heavily subsidised. Without immediate action to support EU-based producers, the domestic battery industry may not survive.

Additional measures to be considered by the EU

- 01** **Expand trade defense measures to batteries:** increasing the tariff from its current ultra-low level to a level that would help EU based producers compete and encourage further Asian onshoring. This can be done by opening an anti-subsidy investigation on batteries. From an economic security point of view, the EU should also gradually phase-in the whole value chain (CAM, pCAM).
- 02** **Prevent circumvention of EU trade measures** through moving manufacturing to non-EU countries with trade or customs deals with the EU while enforcing a **strict geographical EU27 scope** under the IAA.
- 03** **Support the speedy adoption of the IAA and Corporate Fleets law** to create a strong market for Made-in-EU EVs and batteries.
- 04** **Protect EU car electrification by safeguarding the car CO2 targets for 2030 and 2035.**

Acknowledgements

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Further information

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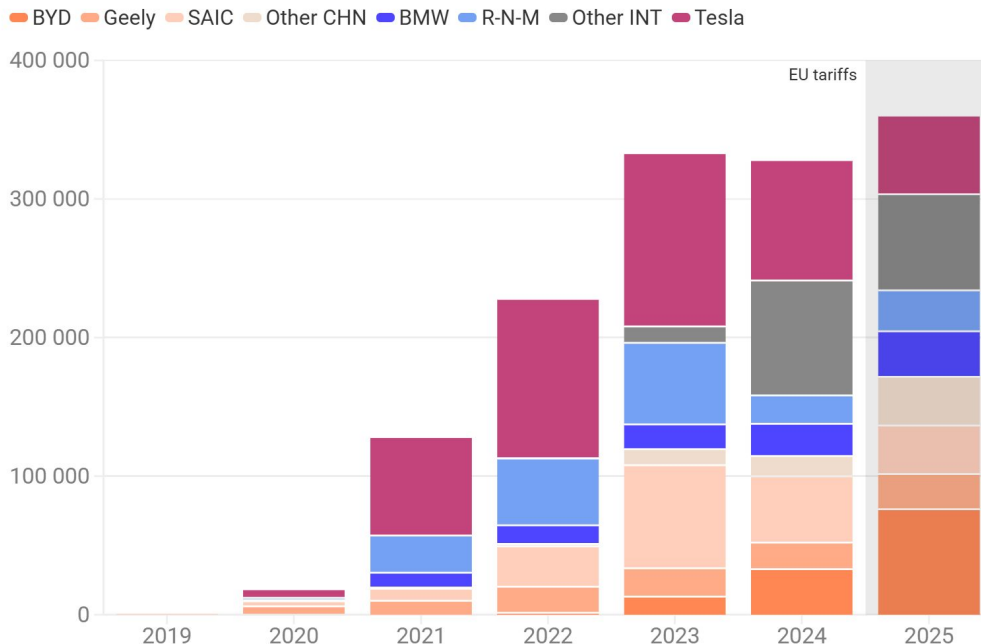
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Import of Made-in-China BEVs stabilise around 350k

- **EV tariffs worked (for EU and US OEMs), but not sufficient to counter Chinese overcapacity-driven exports.**
- Imports from China at 350k units in 2025, driven by an increase from BYD and Geely.
- International OEMs as Tesla, Volvo and Smart registered a reduction in imports (driven by onshoring).

Volumes of BEV imported from China - historical data



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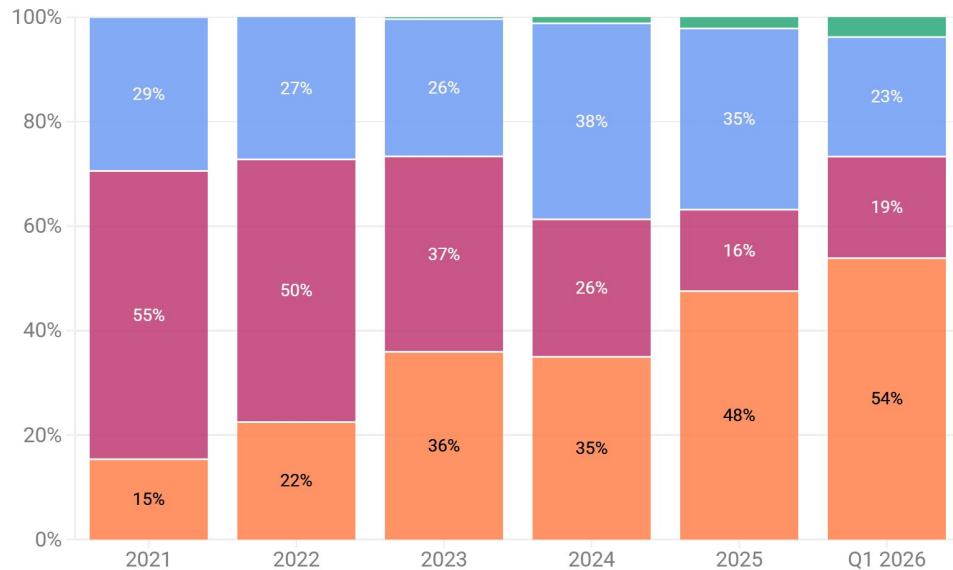
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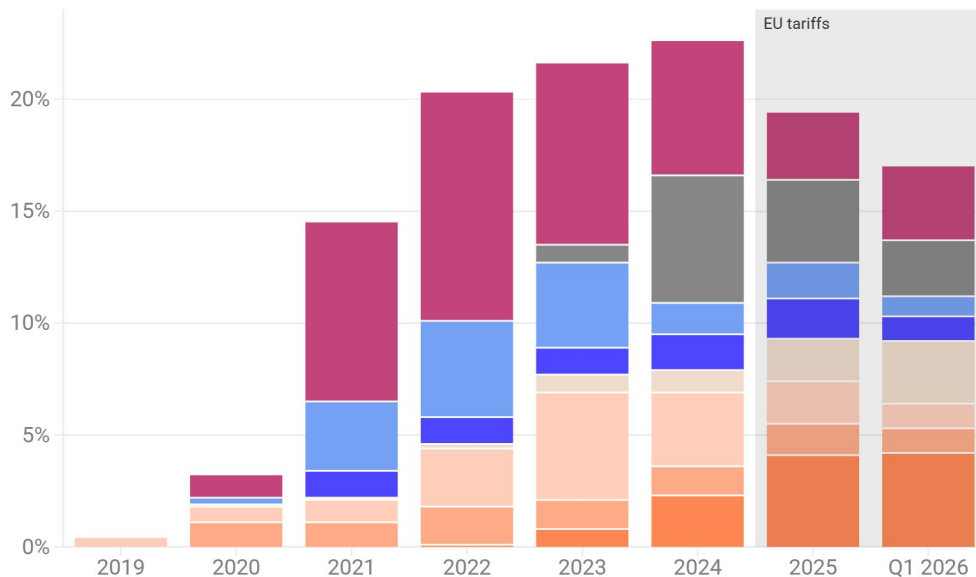
Made-in-China BEVs account for 17% of BEVs in Q1 2026

- **Growth of the EU BEV sales from 2025 (car CO2 targets), led to a contraction of the share of Made-in-China BEVs despite volume of imports from China growing in 2025.**
- The share of made-in-China BEVs peaked in 2024 with the activation of EU EV tariffs.
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Share of BEV imported from China - historical data

BYD Geely SAIC Other CHN BMW R-N-M Other INT Tesla

Share of the EU BEV market imported from China



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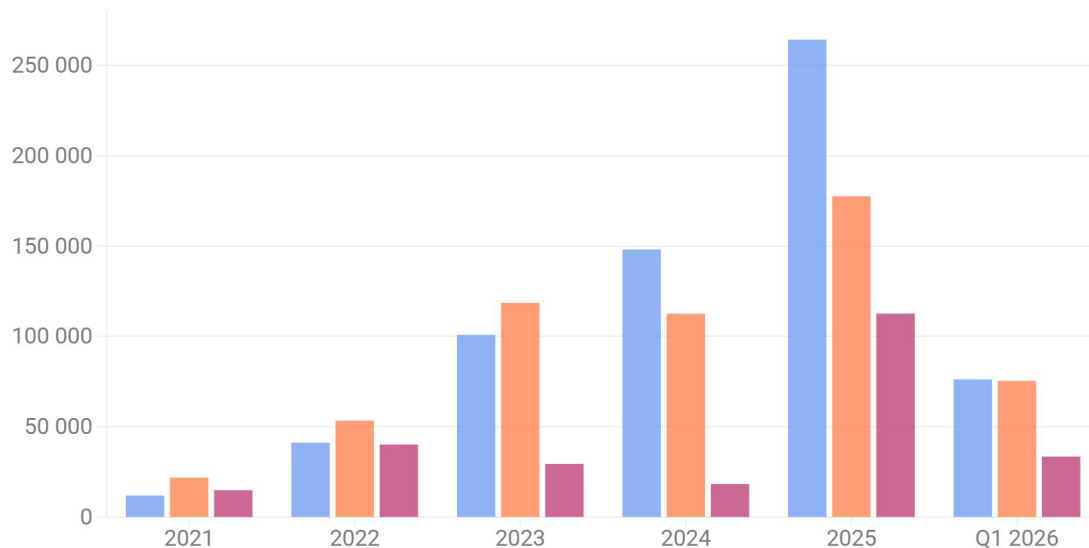
Sales from Chinese automakers grew to 550k units in 2025

**550k cars in
2025 from
Chinese OEMs**
(around half are ICEs)

**The largest Chinese
volumes are from ICE
vehicles** (97% are
imports in 2025)

Chinese automakers sales in EU countries

ICE BEV PHEV



Source: T&E analysis, GlobalData

Weaker CO₂ targets will leave space to Chinese carmakers

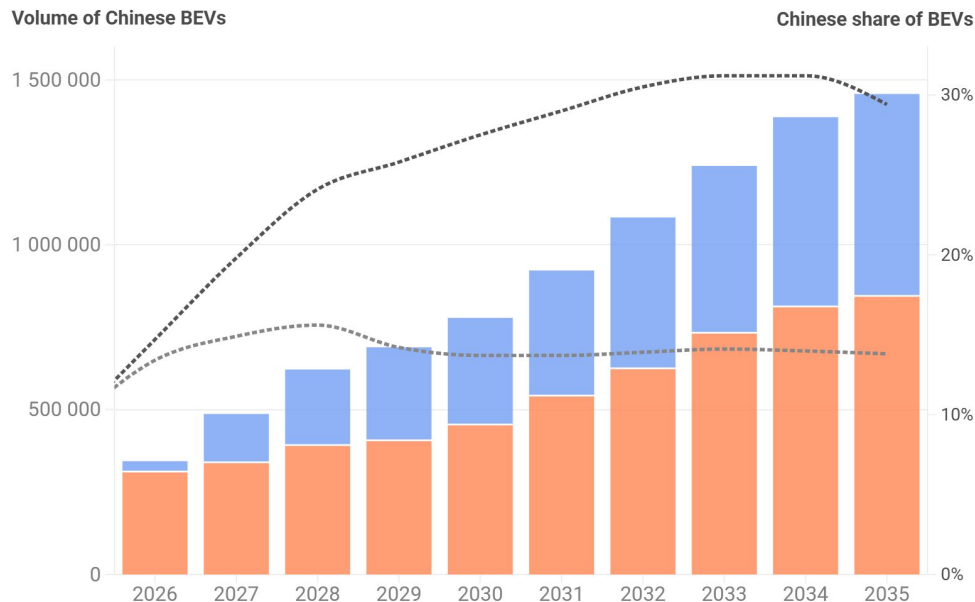
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Imported Chinese brand BEVs could rise to 17% if the targets are weakened or decrease to 8% if they are kept.

Volume of Chinese OEMs BEVs would displace ~10 legacy car factories by 2035.

Projected presence of Chinese carmakers in the EU market. By volume and share.

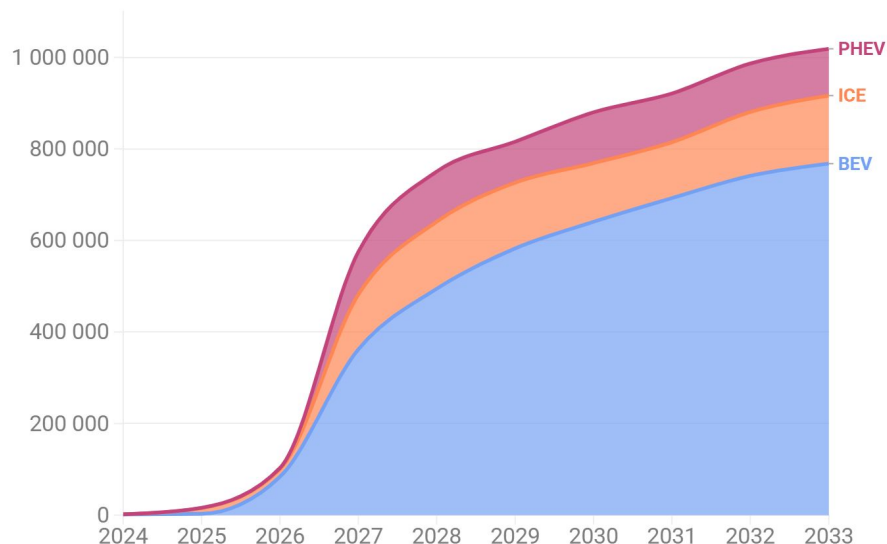
EC proposal Salini scenario
Import Domestic



Source: T&E Analysis, GlobalData

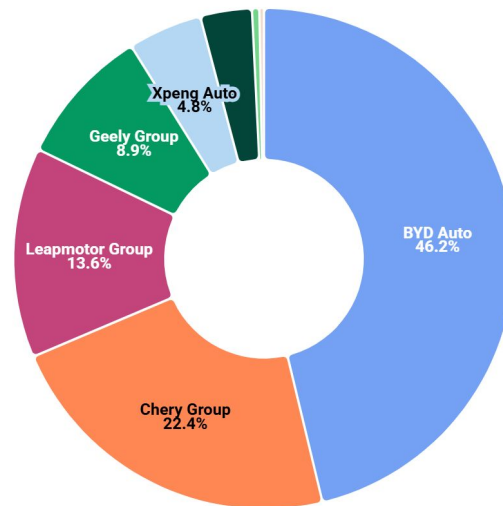
Chinese OEM are onshoring production - from 0 to 1m (almost all are BEVs)

Volumes of vehicles from Chinese OEMs produced in EU plants



Source: T&E Anlysis, GlobalData

Cumulative projected share of EU production per Chinese OEMs (2024-2033)



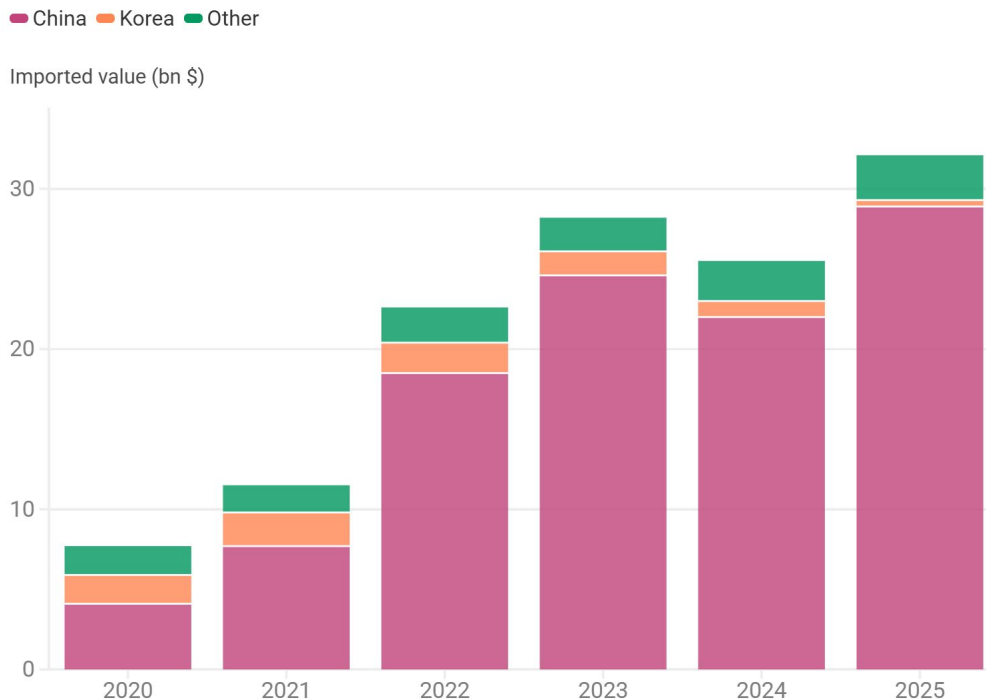
Source: T&E Anlysis, GlobalData

Chinese production in Europe

Country	Plant	OEM	Plant type	Announcement date	Joint-Venture	Batteries supply
Austria	Graz	GAC Group	Brownfield	2025*	Magna Steyr	China
		Xpeng Auto	Brownfield		Magna Steyr	China
Belgium	Ghent	Geely Group	Brownfield	2023*	Volvo	Europe
Bulgaria	Lovech	Great Wall Motor	Mixed	2025*	Local carmaker	China
France	Rennes	Dongfeng	Brownfield	2026*	Stellantis	-
Hungary	Szeged	BYD Auto	Greenfield	2023*	-	China
Poland	Tychy	Leapmotor Group	Brownfield	2023	Stellantis	China
Slovakia	Kosice	Geely Group	Greenfield	2022	Volvo	Europe
Spain	Barcelona (Chery)	Chery Group	Brownfield	2024*	Ebro-EV	China
	Zaragoza	Leapmotor Group	Brownfield	2025*	Stellantis	China / Europe
	Galicia	SAIC	Greenfield	2026*	-	-
	Valencia	Geely Group	Brownfield	2026*	-	-
Sweden	Göteborg	Geely Group	Brownfield	2022	Volvo	Europe
Turkey	Eskisehir	Brilliance Auto	Brownfield	2025*	SWM	China
	Manisa (BYD) ^{1.}	BYD Auto	Greenfield	2024*	-	China
United Kingdom	Sunderland	Chery	Brownfield	2026*	Nissan	-

The EU relies heavily on ultralow tariff battery imports from China

Battery exports from China have increased six fold from around 5bn in 2020 to nearly 30bn in 2025



Source: UN Comtrade • Imports of HS Code 850760, not accounting for batteries imported in finished vehicles.

What the EU Commission should do?

- 01 Expand trade measures to batteries - increasing the tariff from its current ultra-low level to a level that would help EU based producers compete.
- 02 Prevent circumvention of EU trade measures through moving manufacturing to non-EU countries with trade or customs deals with the EU.
- 03 Expand trade measures to all vehicles including ICE and PHEV.
- 04 Support the speedy adoption of the IAA and Corporate Fleets law
- 05 Reject proposals to radically slow down EU car electrification through the CO2 standards