



The presence of Chinese automakers in the EU car market



July 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 from 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).

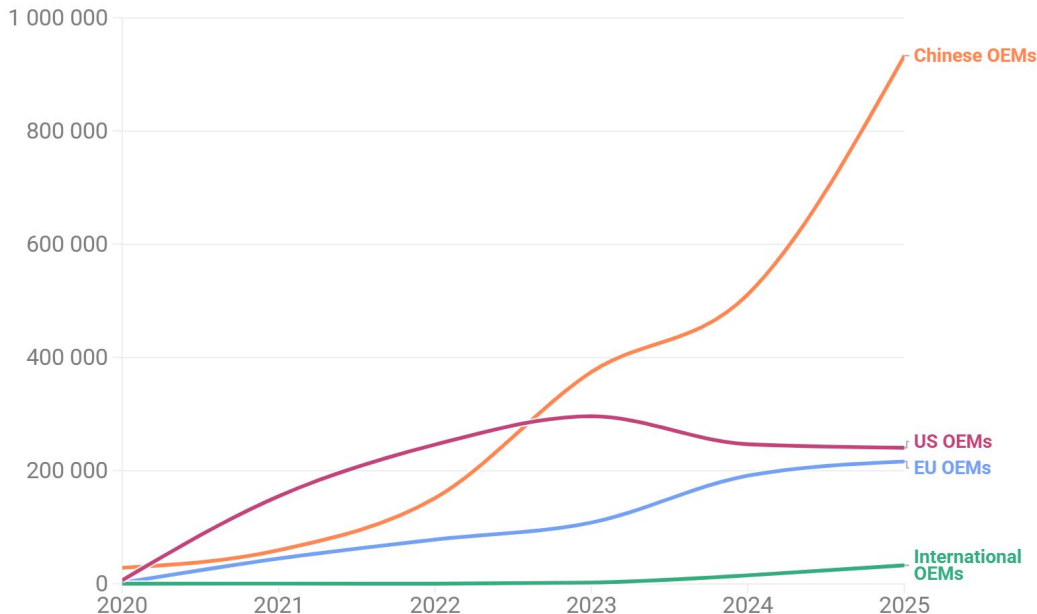
Exports from Chinese automakers have surged to 1m BEVs per year

**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

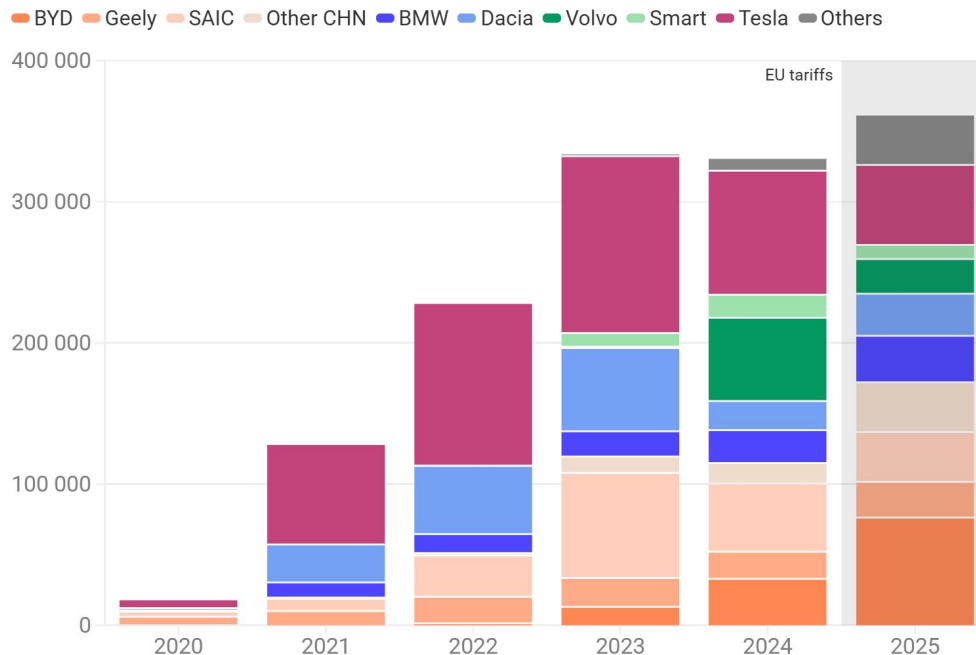
BEV imports from China: how effective were the tariffs?



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

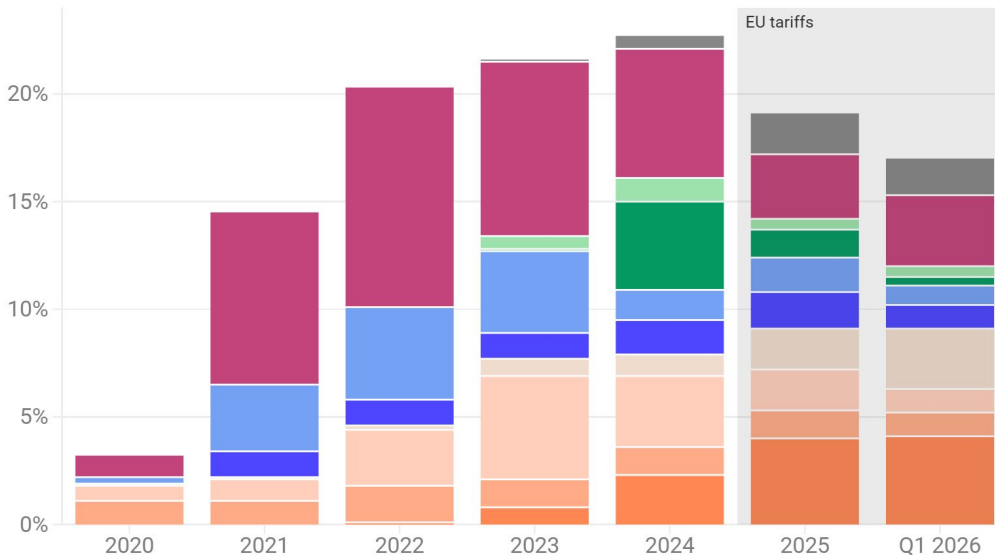
Made-in-China BEVs now account for 17% of BEVs

- 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



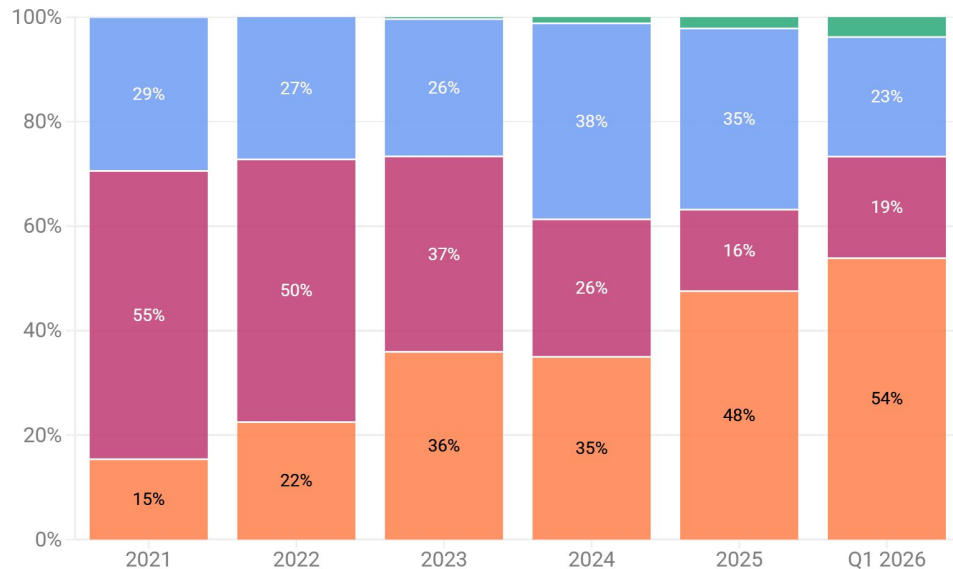
Source: T&E Analysis, EV-Volumes • Scope: passenger cars in the EU imported from China

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

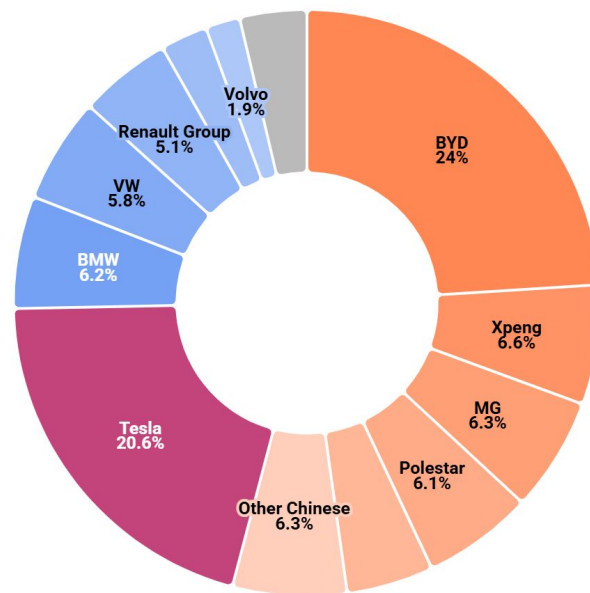
- Chinese OEMs now account for more than half of imports from China (from 15% in 2021).
- Over the same period, Tesla's share of imports dropped from 55% to 19% as they localised to Berlin (2022).
- EU OEM imports dropped from 38% to 23% between 2024 and Q1 2026 (localisation of models like Volvo EX30).

Imports of Made in China BEVs - OEM breakdown (Q1 2026)

In the first quarter of 2026, most BEVs imported from China were from Chinese carmakers

BYD Xpeng MG Polestar Leapmotor Other Chinese Tesla BMW VW
Renault Group Smart Volvo Others

- BYD represents 24% of Chinese exports to the EU in Q1 2026. BMW is the largest EU exporter.
- Others Chinese OEMs sum up to 30% of the total volume.
- The remaining volume is equally split between Tesla, EU and international carmakers.



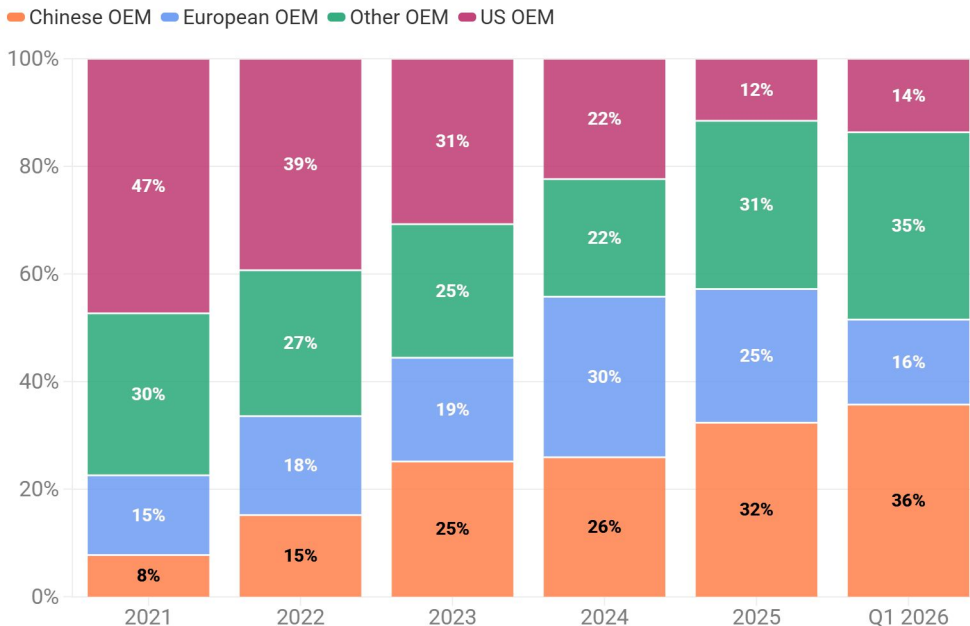
Source: EV Volumes

One third of all BEVs imported into the EU come from Chinese OEMs

Analysis of all BEV imports (not just from China), shows that the share of Chinese brand in total BEV imports is increasing, going from 8% to 36%.

- Other international carmakers, like Hyundai-Kia and Toyota, keep a strong foothold in the import market.
- But a large share of non-Chinese OEMs produce in China for exports.
- As shown previously for Made-in-China, US & EU carmakers have also reduced overall BEV imports (driven by onshoring).

Carmakers breakdown of BEVs imported in the EU



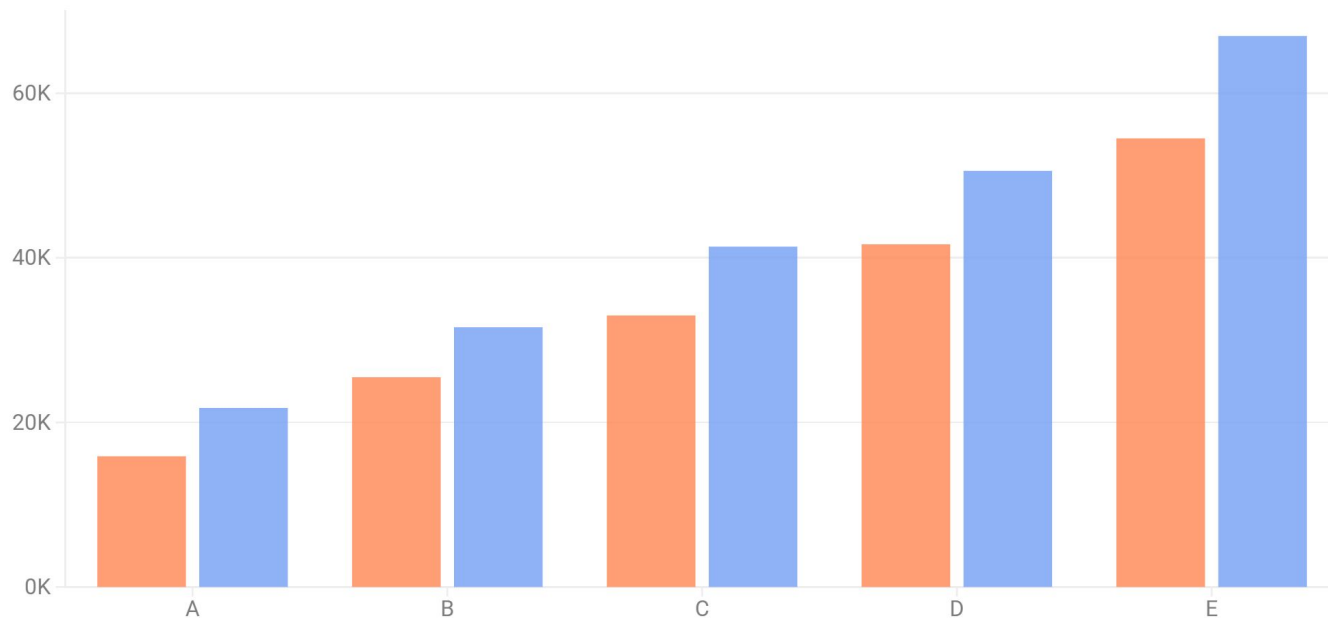
Source: T&E Analysis, EV-Volumes • Scope: car, SUV and MPV segments, EU27

Chinese BEVs remain 21% cheaper on average despite tariffs

Average price per sales segment

Chinese brands European brands

EUR

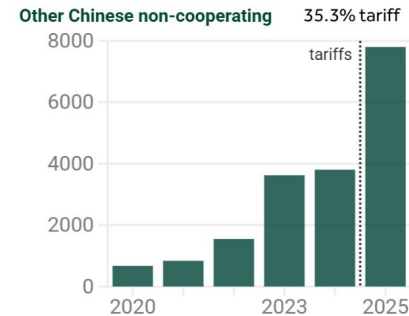
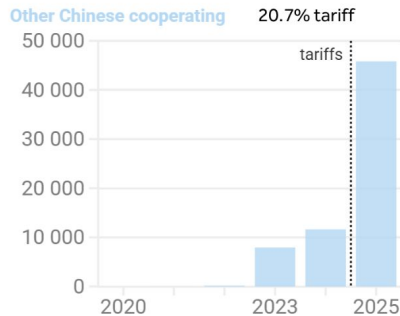
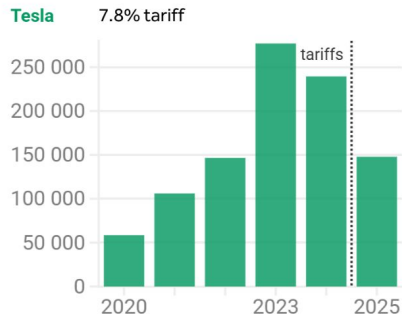
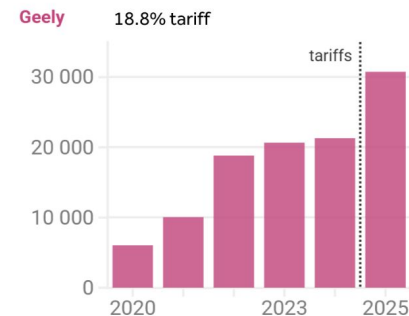
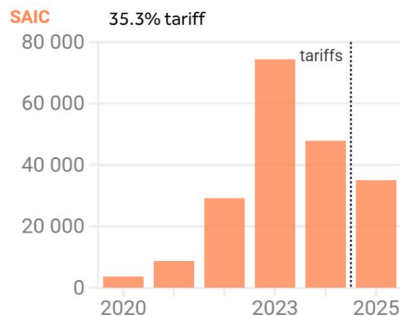
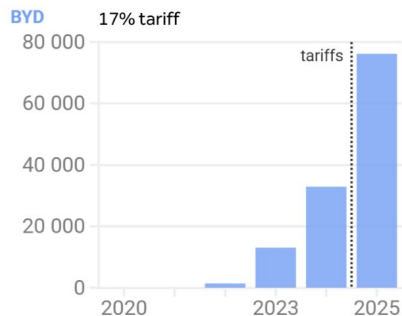


Source: T&E analysis, AutoVista, DataForce

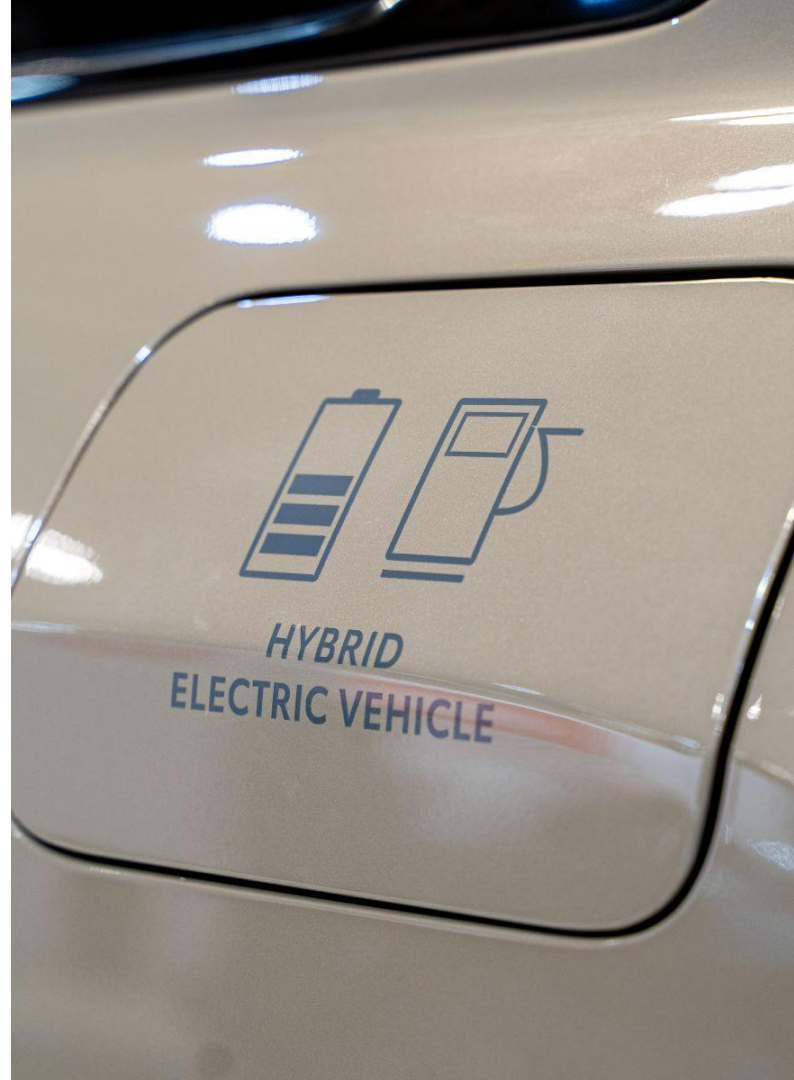
Tariffs effect on Chinese carmakers: BYD vs SAIC

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



How do BEVs compare with other powertrains?



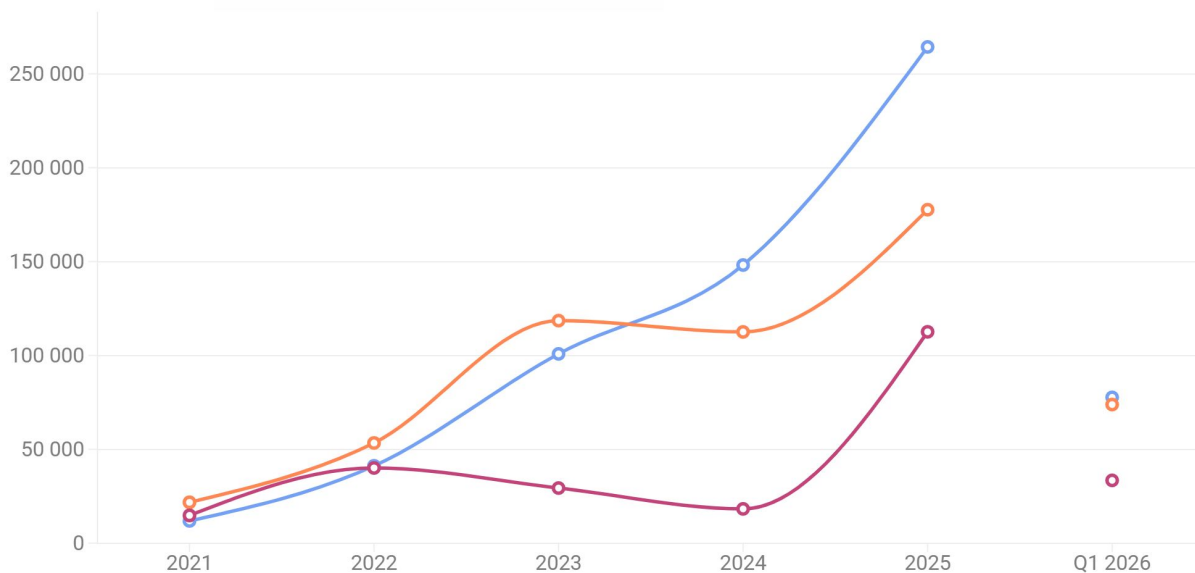
Total car sales from Chinese automakers grew to 550k units in 2025

**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



Source: T&E analysis, GlobalData

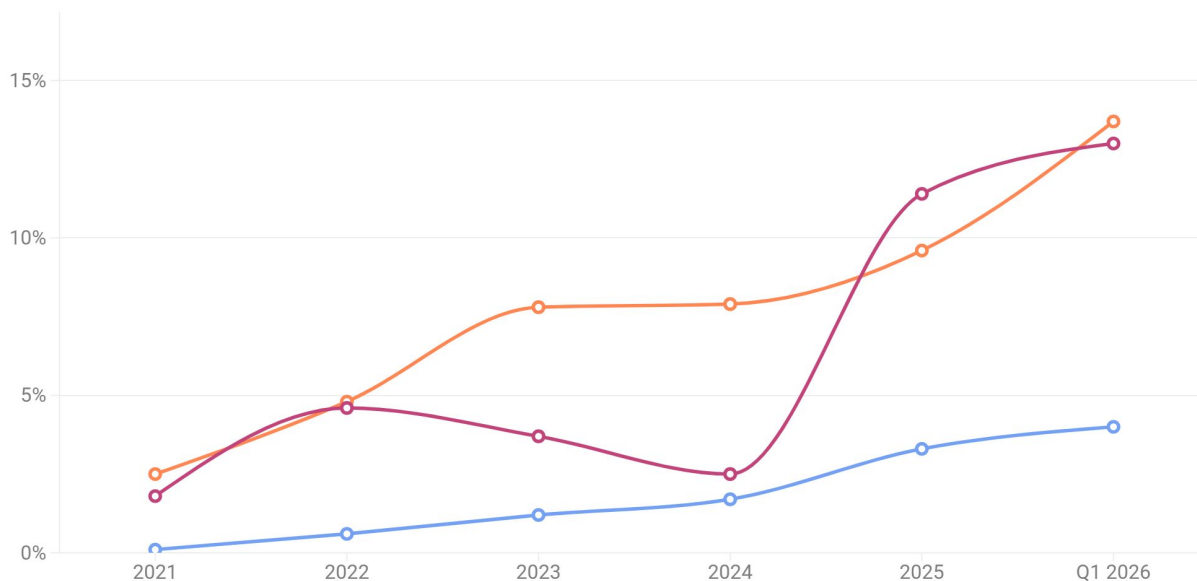
Chinese brands account for 14% of BEV and 13% of PHEV sales in the EU

Steady growth for BEVs while PHEVs surged in 2025

Whilst more significant in absolute volume, Chinese ICE only make up 4% of the ICE market.

Chinese automakers share of new registrations in EU countries

ICE BEV PHEV

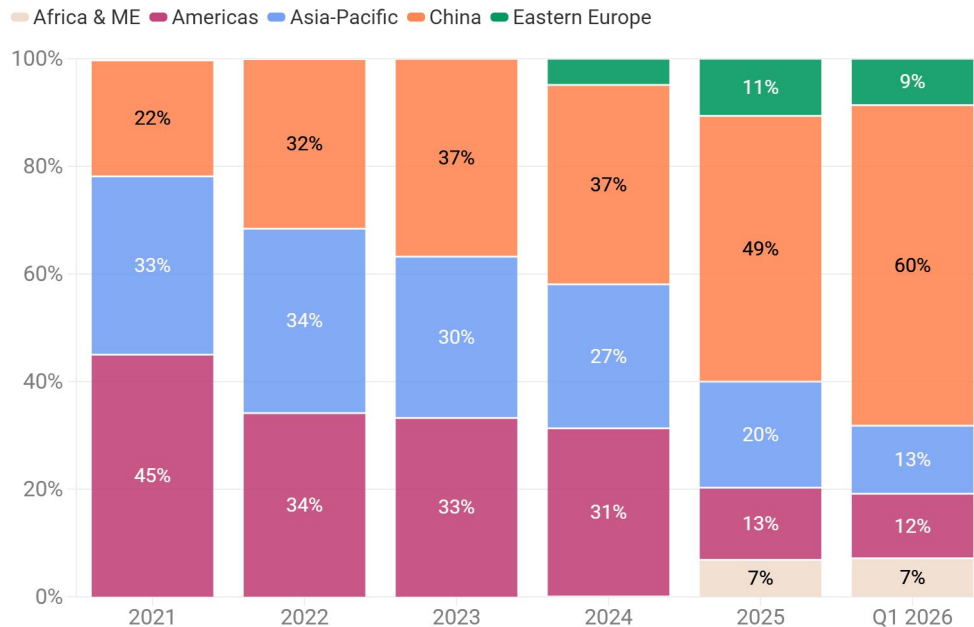


Source: T&E analysis, GlobalData

Production from China accounts for 60% of total PHEV imports

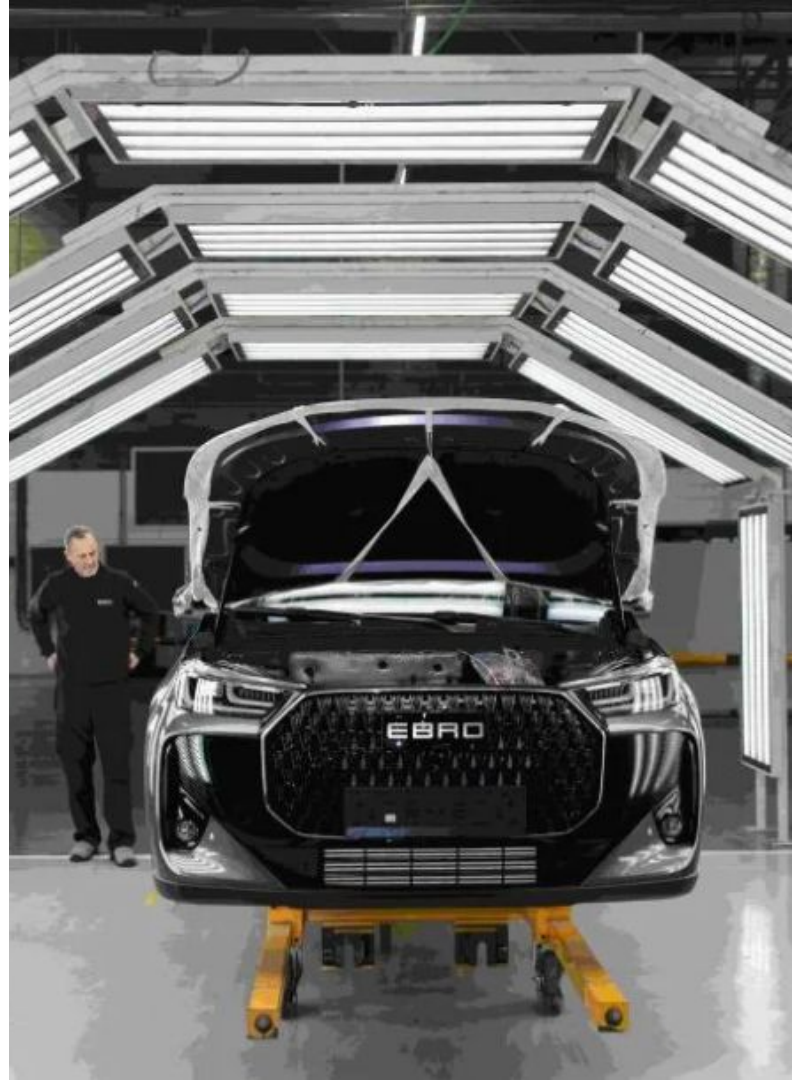
- Made-in-China now account for more than half of total PHEV imports: 60% of PHEV imports are from China in Q1 2026.
- PHEV import volumes from EU carmakers (mainly Volvo, BMW and Mercedes) remained constant, while Chinese imports surged in 2025 (see next slide).
- The BYD Seal U was the EU's bestselling PHEV in April 2026.

Production region breakdown of PHEVs imported in the EU



Source: T&E Analysis, EV-Volumes • Scope: car, SUV and MPV segments, EU27

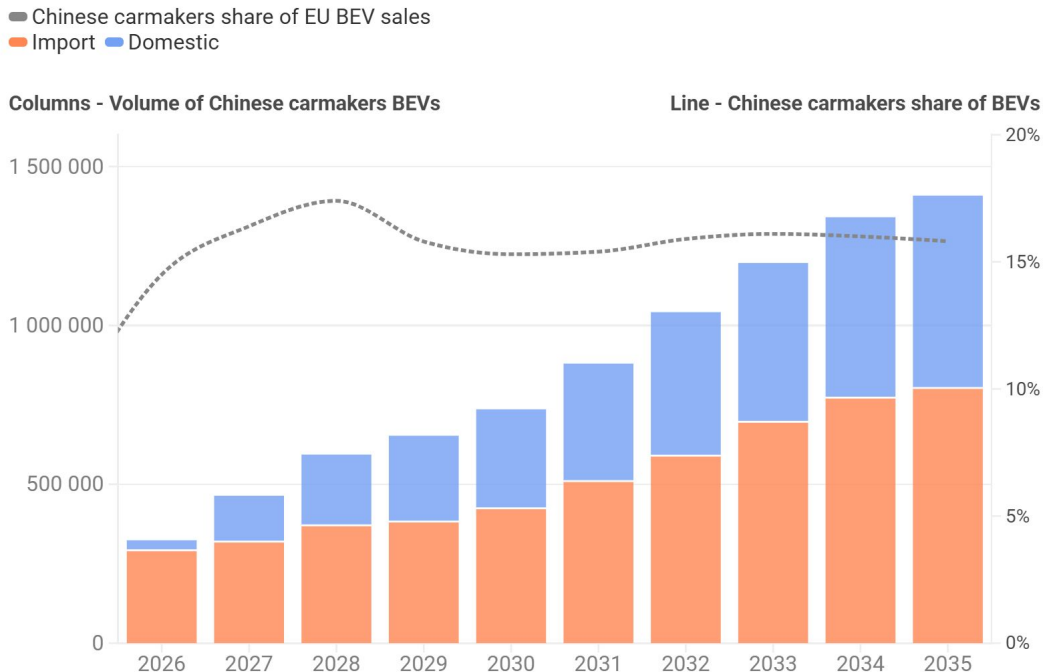
2030s outlook



The rise of Chinese BEVs in Europe: plateau at 15%?

- **Chinese OEM market share could remain limited to around 15%** despite combined volumes growing to 1.5m units (both imports and domestic). This assumes European carmakers scale BEVs (in line with EU target).
- **Both imports and domestic production are expected to rise:**
 - **Imports** from 350k in 2025 to 850k in 2035.
 - **Domestic** production: from 0 to 600k units.
- For reference, Japanese and Korean brand account respectively for 12% and 8% of the overall EU car market.

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



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.**

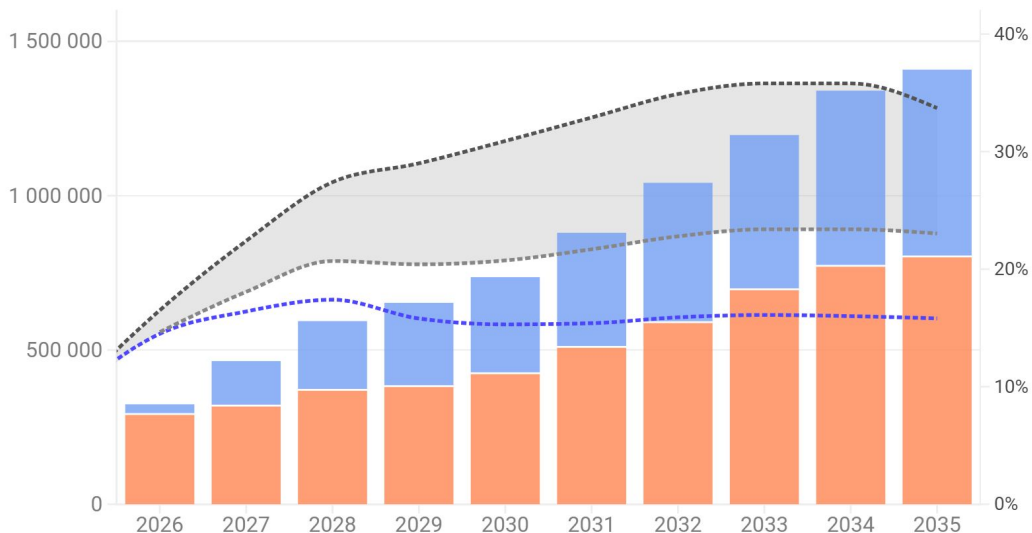
Imports account for ~60% of Chinese brand BEV sales in 2030-2035. As a result Chinese brand imports from China could rise to 17% of BEV sales if the targets are weakened or decrease to 8% if they are kept (from 9% today).

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

■ EC proposal ■ Salini central scenario ■ Salini worst case scenario
■ Import ■ Domestic

Columns - Volume of Chinese carmakers BEVs

Lines - Chinese carmakers share of BEVs

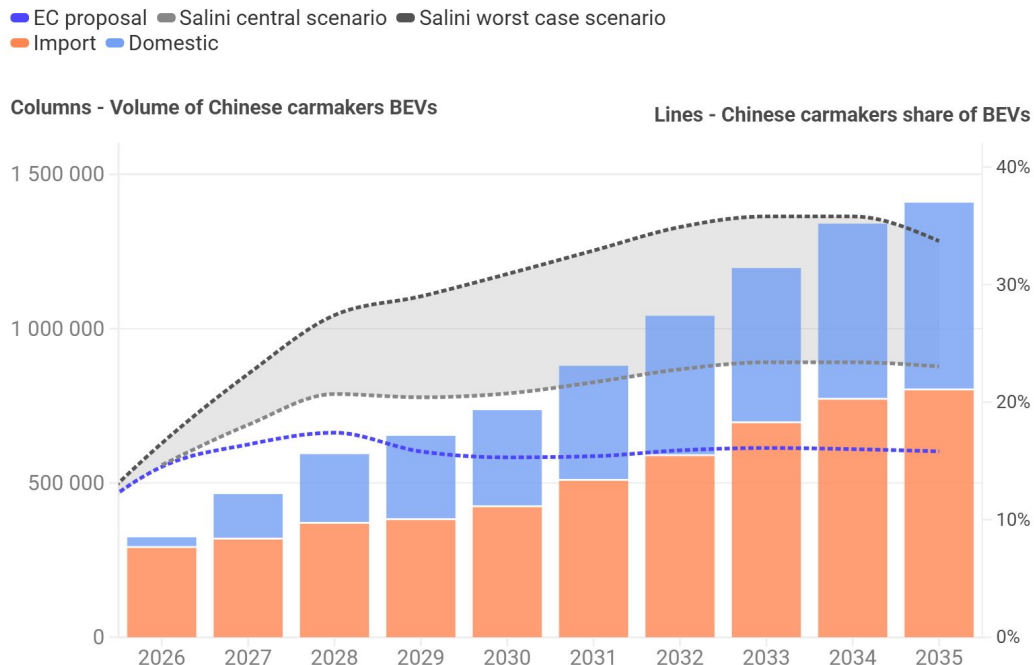


Source: T&E Analysis, GlobalData

Weaker CO₂ targets will cede the BEV market to Chinese carmakers

- We model a central scenario in which European carmakers follow a share of BEV sales equal to the Salini trajectory. This yields a EU OEMs BEV share limited to 21% in 2030.
- In addition, we model a worst case scenario in which EU carmakers focus on eligible fuels, which limits the EU OEMs BEV share to 13% in 2030.

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

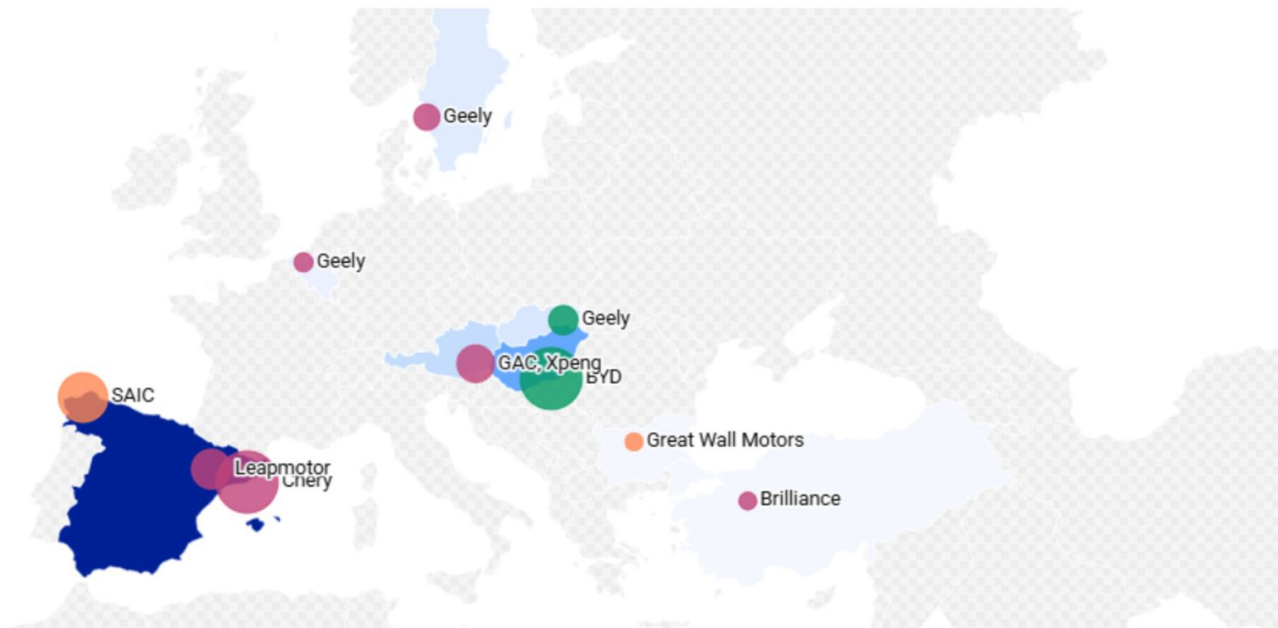


Source: T&E Analysis, GlobalData

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



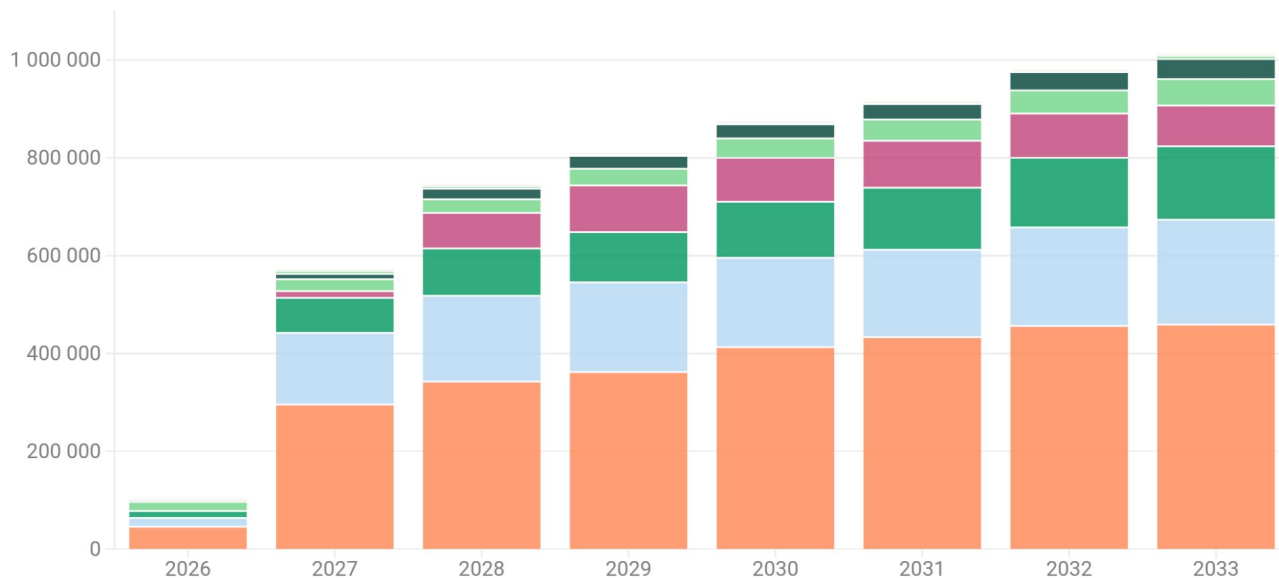
Source: T&E Analysis, GlobalData and public carmaker's announcements • Figures are for the year 2030

Chinese production in the EU: per automaker - 1

BYD will lead in volume terms, followed by Leapmotor and Chery, benefiting from joint-ventures with EU carmakers

Volume of European production per Chinese carmaker - all powertrains

BYD Chery Leapmotor Geely Xpeng GAC Great Wall Motor Brilliance



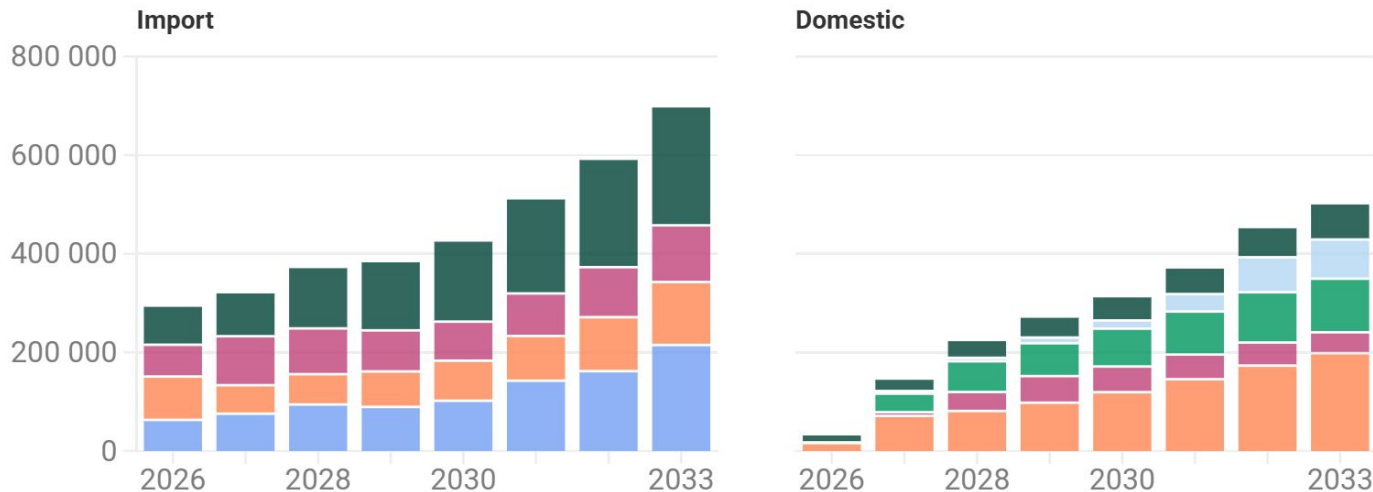
Source: GlobalData

Chinese production in the EU: per automaker - 2

BYD will lead in volume terms, followed by Leapmotor and Chery, benefiting from joint-ventures with EU carmakers

Origin of Chinese OEMs BEV in the EU market

SAIC Group BYD Auto Geely Group Leapmotor Group Chery Group Others



Source: T&E Analysis, GlobalData

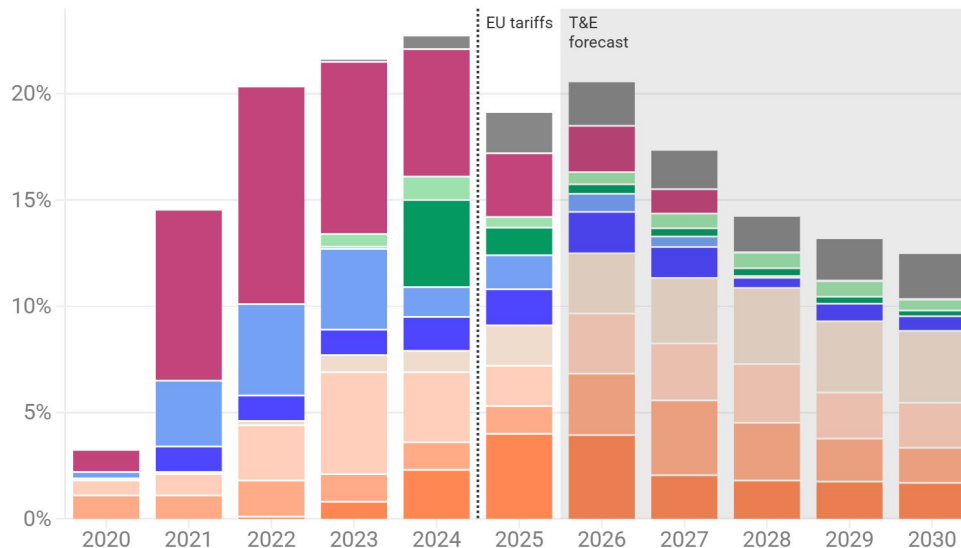
Share of Made-in-China BEVs imports - 2030 outlook

- With the right policies, **Made-in-China BEVs could drop ~20% of BEV sales (2022-2026) to below 15% in 2030.**
- The reduction of Made-in-China BEV share is driven by the increase in the overall BEV market volumes and relocalisation strategy (first EU OEMs, then Chinese OEMs like BYD and Geely).
- Chinese OEMs are set to account for a growing share of BEV imports from China: from 54% today to more than 70% in 2030 with Europeans and Tesla further reducing BEV import shares.

Forecast of BEV imports from China

BYD Geely SAIC Other CHN BMW Dacia Volvo Smart Tesla Others

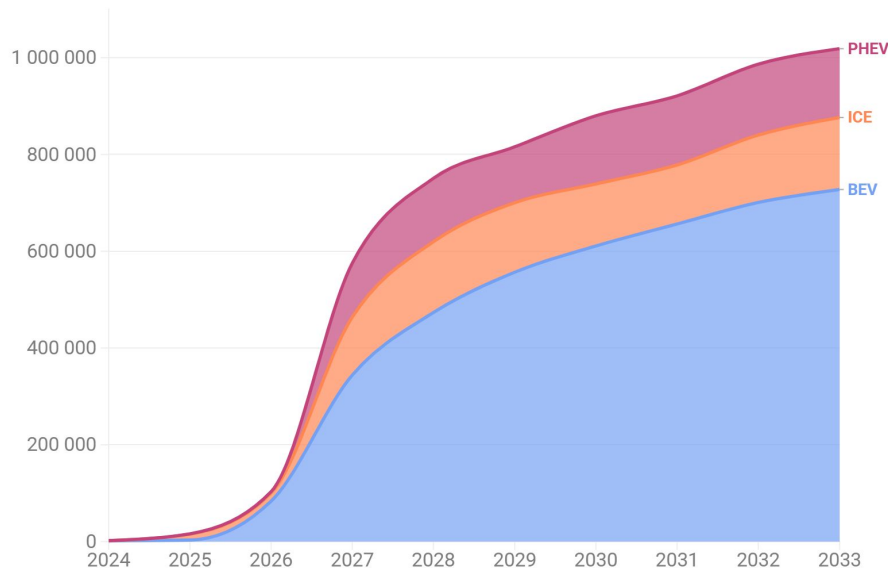
Share of the EU BEV market imported from China



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

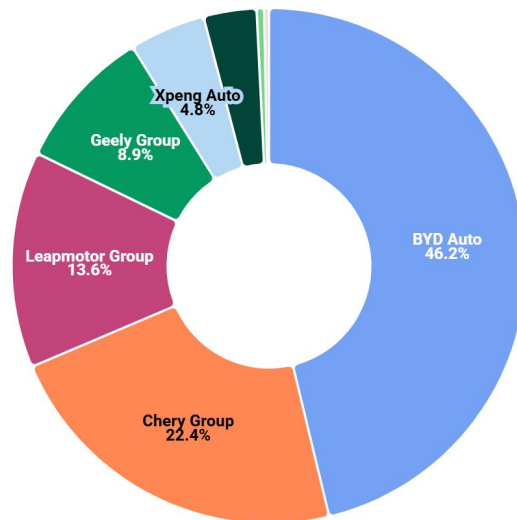
Chinese OEM are onshoring production - from 0 to 1m (mostly BEVs)

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

Batteries

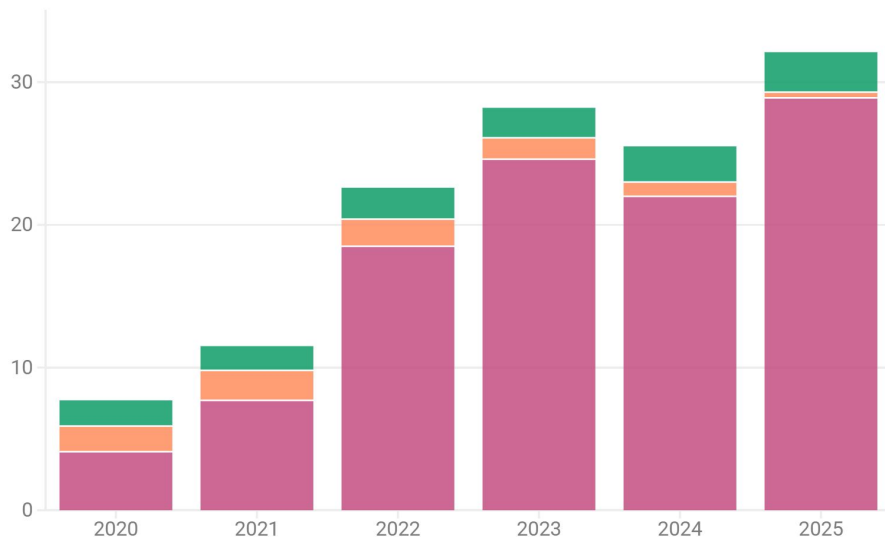


The EU relies heavily on ultra-low tariff battery imports from China

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

China Korea Other

Imported value (bn \$)

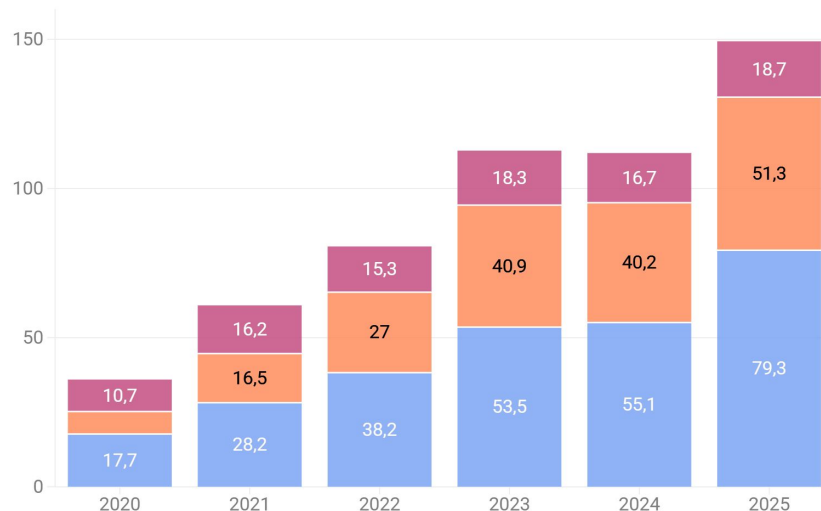


Source: UN Comtrade • Imports of HS Code 850760, not accounting for batteries imported in finished vehicles.

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]

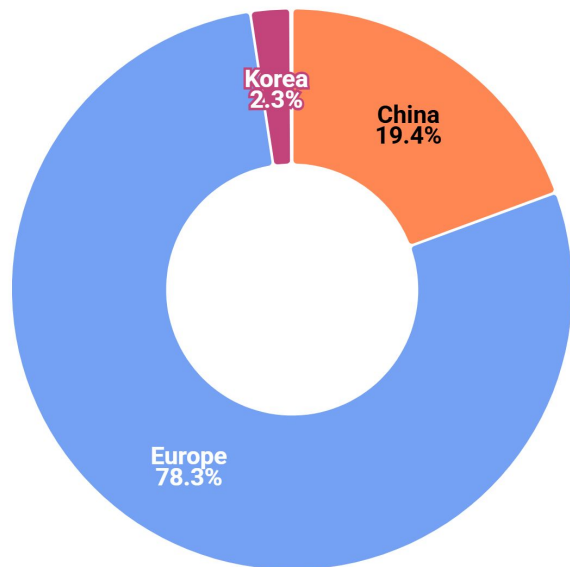


Source: T&E Analysis, EV-Volumes, GlobalData • Scope: passenger cars sold in the EU, BEV and PHEV powertrains

A 20% tariff on batteries imported from China would marginally increase the price of a handful of EU-made BEVs

78% of battery capacity for EU-made BEVs from European carmakers is produced in Europe

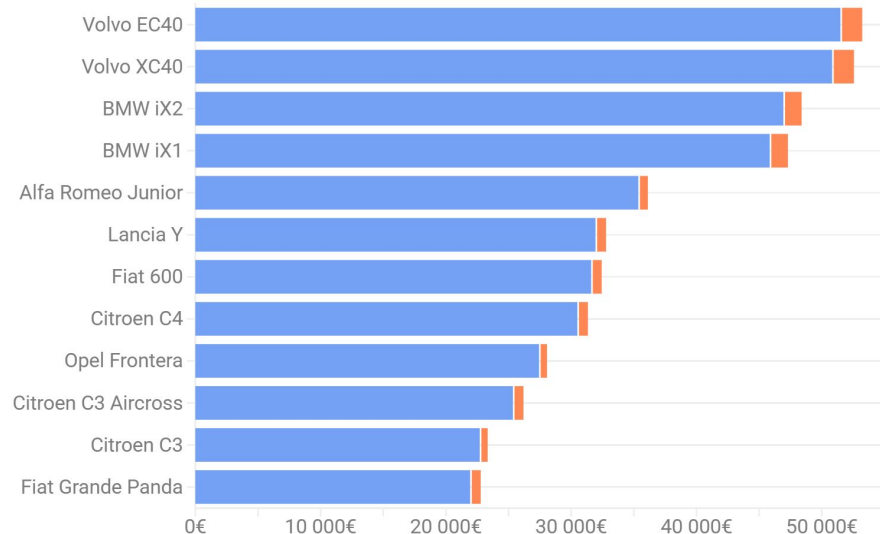
Production region of batteries in EU-made BEVs



Source: T&E Analysis, GlobalData

20% tariff on Chinese batteries would increase average price of European EVs by 2.8%

Average price Price increase

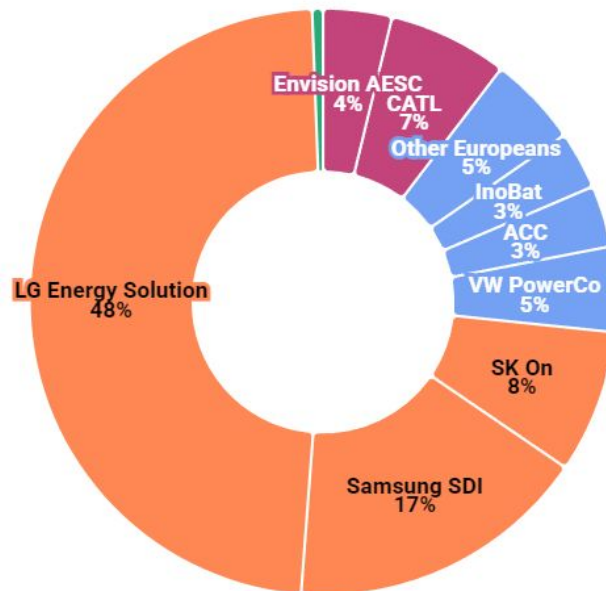


Source: T&E Analysis, GlobalData, Autovista, BNEF

European cell production reached ~170 GWh in 2025, largely dominated by Korean players

This is far below domestic demand reaching ~400 GWh the same year

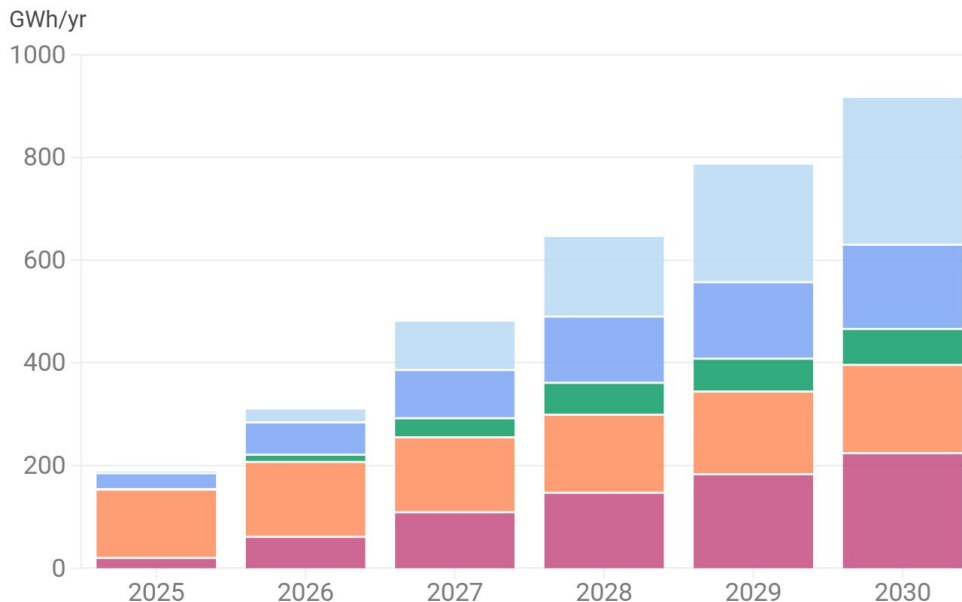
— Korea — USA — China — Europe



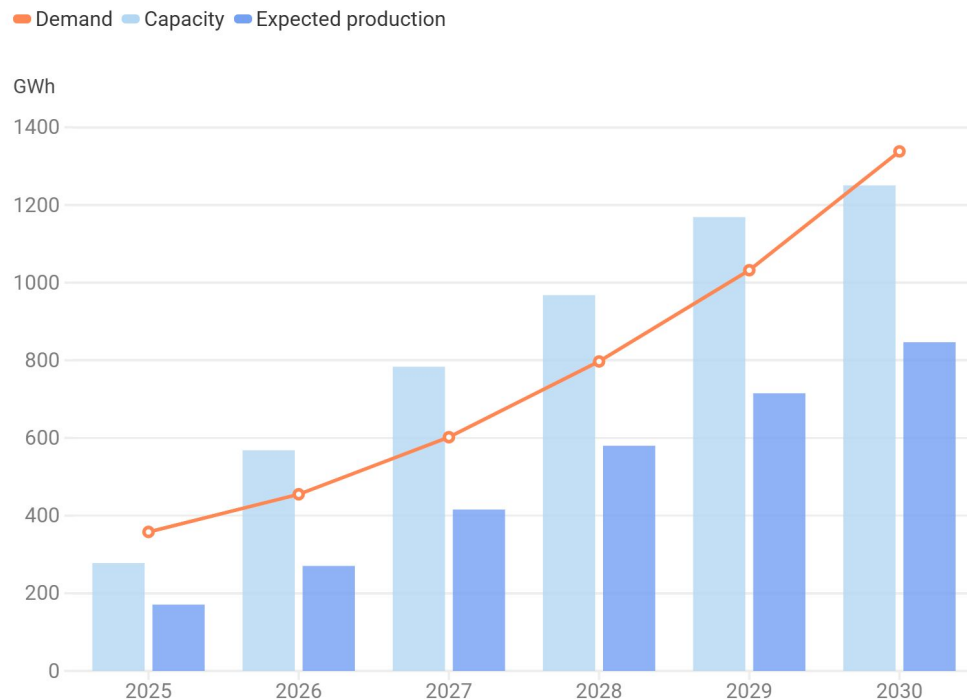
Without further support, battery cell production from European manufacturers is unlikely to dominate the made-in-Europe market

Cell production volume by manufacturer origin country

China Korea Other Europe - Low risk Europe - High risk

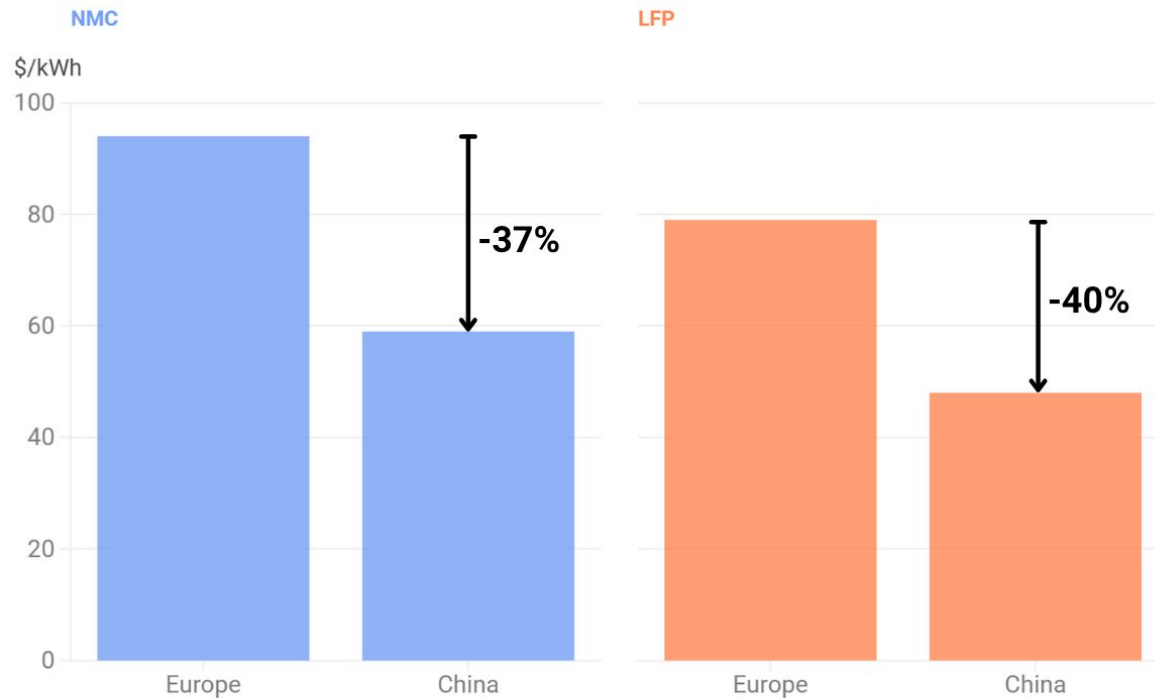


Battery cell production in Europe could meet about two thirds of its domestic demand by 2030



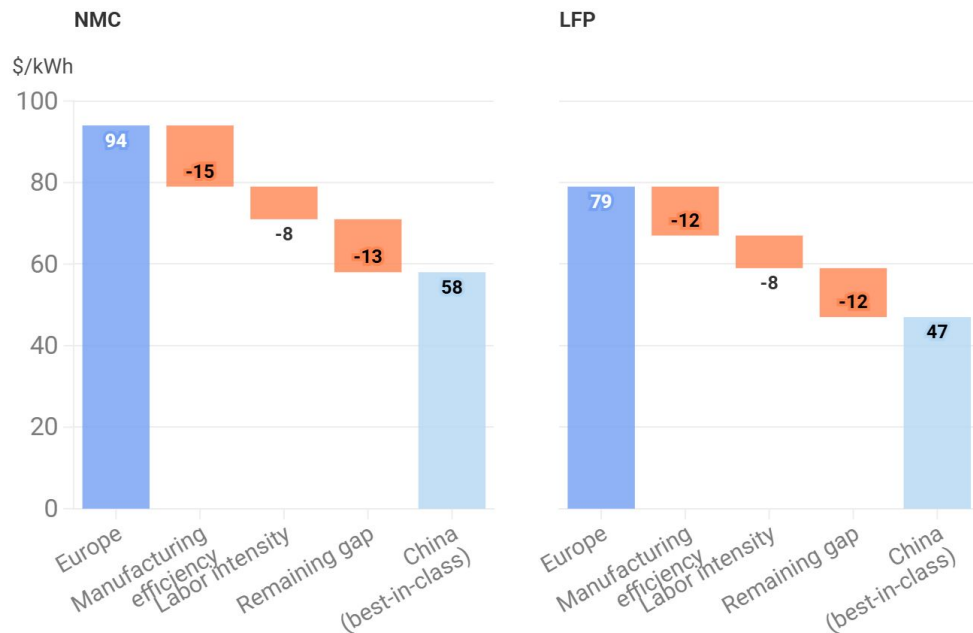
Source: T&E analysis • Includes all projects, even higher-risk ones.

Chinese battery cells are cheaper to produce than European ones



Source: T&E calculations based on BNEF's BattMan model and IEA.

Efficiency and automation can reduce the cell production cost gap between Europe and China in 2030



...But this can't happen without strong industrial policies to bring scale!

Source: T&E calculations based on BNEF's BattMan model and IEA.

Manufacturing efficiency refers to scraps and (un)planned production line downtime; Labour intensity relates to level of automation and worker know-how.

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. From an economic security POV the EU should adopt a whole of value chain (CAM, pCAM) which it should phase in gradually.
- 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.**

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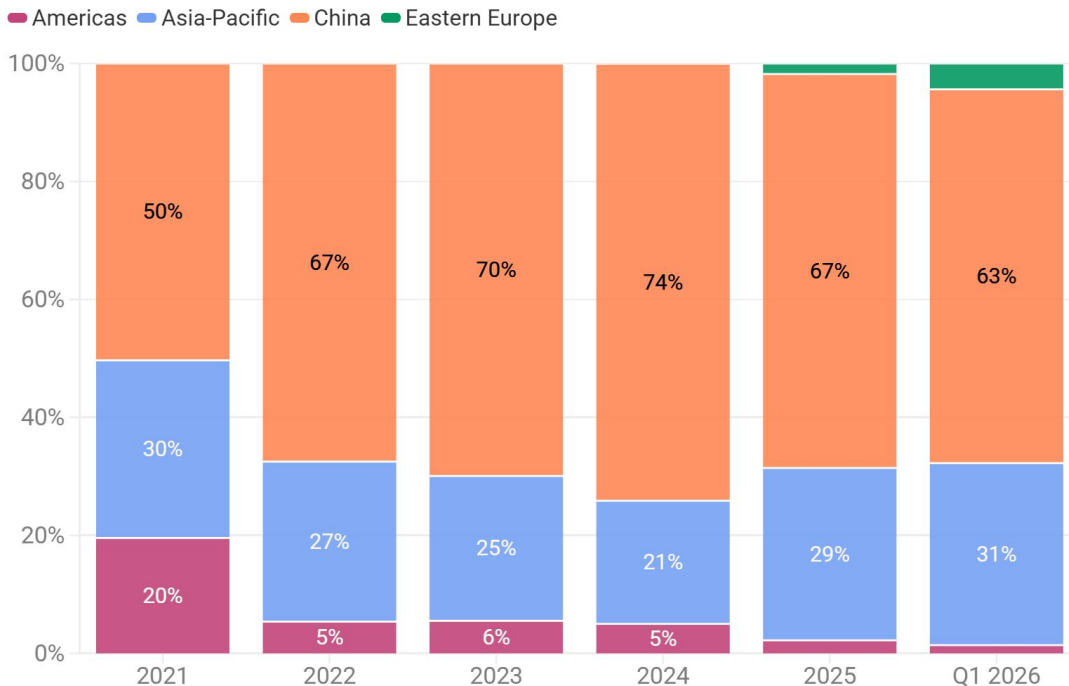
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BEV imports in the EU

67% of BEV imported in the EU in 2025 were from China

Exports are also growing from Asia Pacific (mainly Hyundai-Kia)

Production region breakdown of BEVs imported in the EU

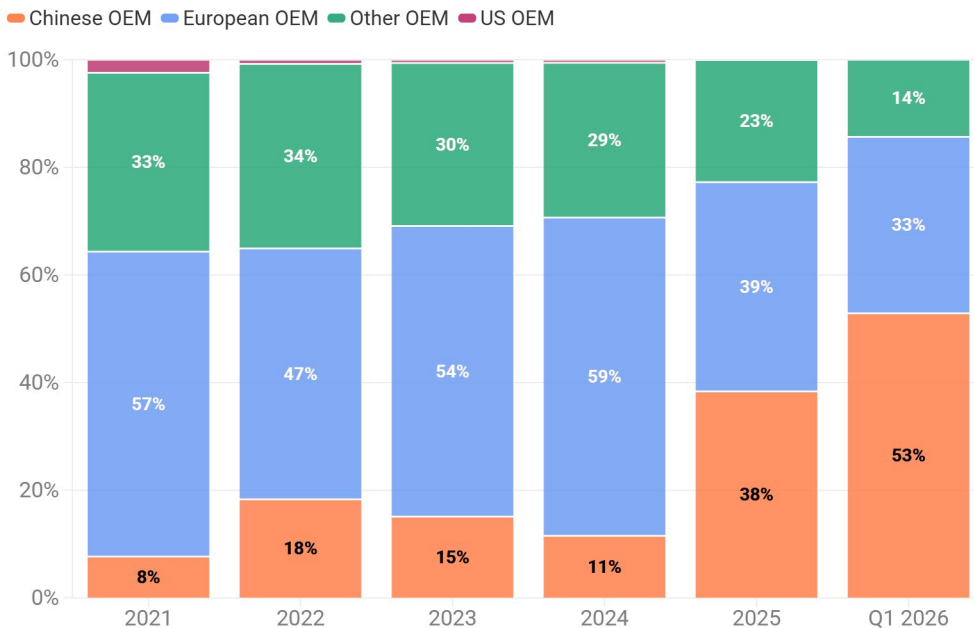


Source: T&E Analysis, EV-Volumes • Scope: car, SUV and MPV segments, EU27

PHEV imports by brand: Chinese OEMs account for half of PHEV imports

- Chinese OEMs now account for more than half of PHEV imports.
- Volumes from EU carmakers (Volvo, BMW and Mercedes) remained constant, but the share decreased from 59% in 2024 to 33% in Q1 2026 as Chinese imports surged in 2025.
- EU and international carmakers went from 90% of PHEV in 2024 imports to less than 50% in Q1 2026 while Chinese brands now account for 53% of PHEV imports.

Carmakers breakdown of PHEVs imported in the EU



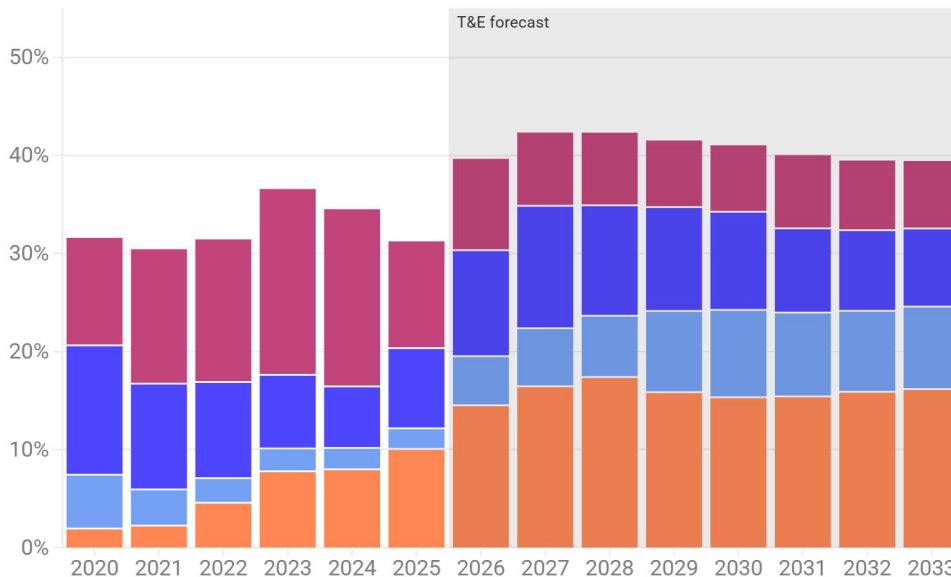
Source: T&E Analysis, EV-Volumes • Scope: car, SUV and MPV segments, EU27

A similar dynamics is projected for other Asian carmakers

Asian carmakers are projected to grow, then stabilize, their market share

Chinese OEMs Japanese OEMs South-Korean OEMs US OEMs

Share of EU BEV market



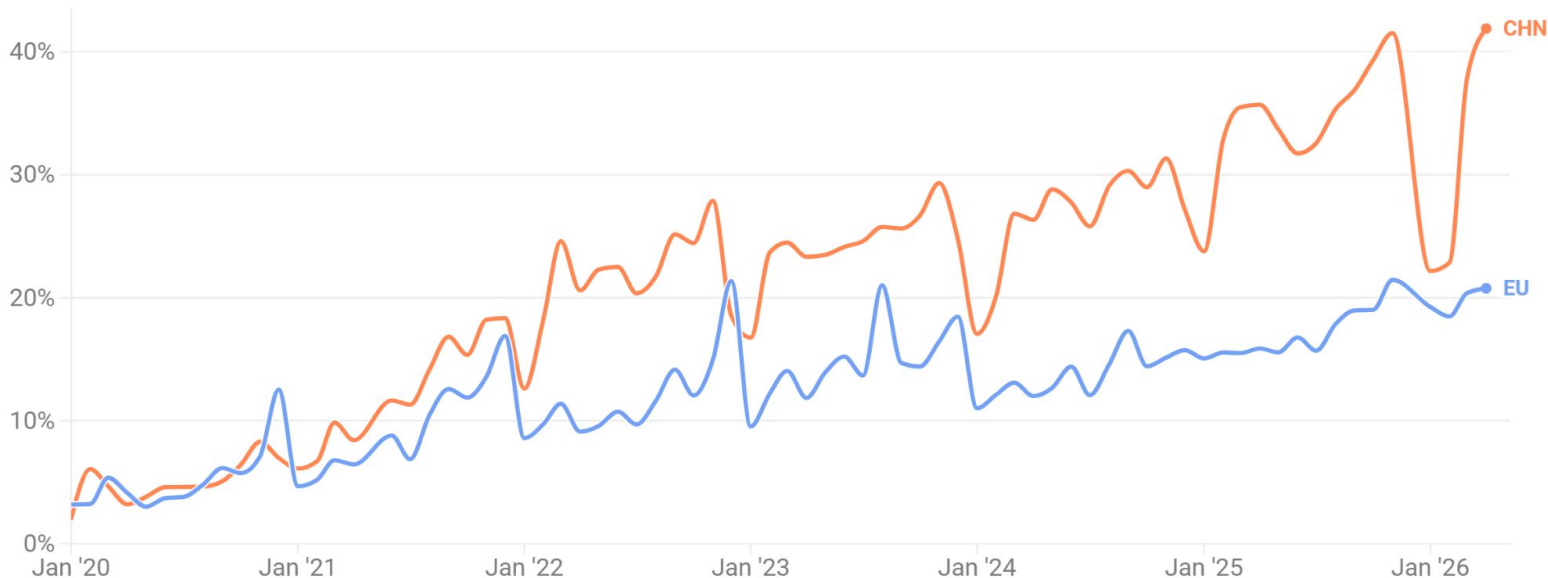
Source: T&E Analysis, EV-Volumes, GlobalData

- BEV imports from International carmakers are also projected to stabilize in share.
- EU carmakers are set to moderately reduce their market share and to settle around 60% of the market in the next decade.

The Chinese BEV market rebounds after a usual slow start of the year

BEV sales in China bounced back after a low start of 2026

BEV share of domestic passenger vehicles sales



Source: EV Volumes

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	-

Methodology notes

- **OEM grouping - slide 5, 6 and 23.** Carmakers have been grouped by origin and import volumes. Dacia is part of the Renault Group, Smart is part of a joint-venture between Mercedes-Benz and Geely. Volvo Cars is excluded from Geely Group. The category Others comprises the following brands: Cupra, Lotus, Mazda, Honda .
- **Price analysis - slide 10.** The price analysis presented on slide 10 uses the data source described on page 32 of the T&E [EV Progress Report](#).
- **CO₂ scenarios - slides 18 and 19.** The EC proposal scenario corresponds to the GlobalData EV sales forecast. The Salini scenario corresponds to BEV share targets of 22% of market share in 2030 and 39% in 2035, as shown in section 3 of [T&E's driving energy security report](#). From this trajectory, we model two possible scenarios for the volumes of EU carmakers.

Worst case scenario - Chinese carmakers maintain high levels of exports to the EU, driven by overcapacity and aligned with the GlobalData forecast. The BEV share of the overall EU market is aligned with the Salini scenario, so that the decrease of BEV sales comes from European and other international OEMs.

Central scenario - EU carmakers sell a share of BEVs that follows the Salini CO₂ trajectory, while international and Chinese OEMs maintain the volumes forecasted by GlobalData. This yields a total BEV share larger than the Salini trajectory.

Methodology notes

- **Forecast - slide 23.** The forecast is based on the GlobalData EV sales forecast, Quarter 1 2026. The forecast projects a BEV uptake at 44% of market share in 2030 and 83% in 2035. T&E has found similar order of magnitudes when assessing the impact of the EC proposal for Car CO₂ standards revision.
- **Battery price and 20% tariff - slide 28.** Average battery prices per kWh were calculated for different cathode chemistries. The tariff is modeled with a 20% increase in the vehicle's battery price.
- **Chinese plants in the EU - slide 20, 41.** Brownfield identifies an industrial site that is already existing and is repurposed by a new company. A greenfield is a dedicated, newly constructed plant. Mixed plants combine pre-existing facilities with new constructions. These slides combine production forecast data from GlobalData and companies announcements of new developments.

Data sources

- **T&E has acquired global vehicle sales and production forecast supplied by GlobalData;** *Copyright © Global Hybrid and EV sales Forecast (Q1 2026) and Global Light Vehicle Powertrain Forecast (April 2026). All rights reserved; GlobalData is an independent provider of industry information. The sales forecast is based on GlobalData's model of the macro-environment, including economic and competitive developments. GlobalData uses industry contacts, press and media coverage, direct automotive manufacturer and supplier contacts, investment analysts, and other Globaldata assets. Permission to use GlobalData copyrighted reports, data and information does not imply endorsement by GlobalData of the manner, format, context, content, conclusion, opinion or viewpoint in which GlobalData reports, data and information or their derivatives are used or referenced herein.*
- **EV-Volumes;** *Historical BEV, FCEV and PHEV sales volumes are obtained from EV-Volumes sales tracker (April 2026). The database covers the whole 27 EU member states. Personal car segments were included in the analysis.*
- **Dataforce;** *Historical sales and models data (2025) are supplied by Dataforce. The data coverage for this briefing includes 23 European countries (Austria, Belgium, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden). Vehicles identified as personal cars (car, MPV, SUV) are included in the analysis.*
- **European tariffs levels for different carmakers have been obtained from this European Commission [website](#).**