

Chinese electric vehicle brands expand to global markets

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Osamu Furukawa stands next to his new BYD ATTO 3 electric car, that's parked besides a Volkswagen converted into an EV, in Yokohama, south of Tokyo, Tuesday, April 25, 2023. BYD Auto is part of a wave of Chinese electric car exporters that are starting to compete with Western and Japanese brands in their home markets. They bring fast-developing technology and low prices that Tesla Inc.'s chief financial officer says "are scary." Credit: AP Photo/Yuri Kageyama

Osamu Furukawa has driven lots of Japanese cars for his business converting classic gasoline-powered models to electric. But his favorite ride is an import: A battery-powered SUV from China's BYD Auto.

BYD Auto is part of a wave of Chinese electric car exporters that are starting to compete with Western and Japanese brands in their home markets. They bring fast-developing technology and low prices that Tesla Inc.'s chief financial officer says "are scary."

Furukawa said he ordered an ATTO 3 when it went on sale Jan. 31, for its user-friendly features and appealing price of 4.4 million yen (\$33,000)—or about one-quarter less than a Tesla.

"It's perfect," Furukawa said in his office in Yokohama, southwest of Tokyo.

Other ambitious Chinese EV exporters include NIO, Geely Group's Zeekr and Ora, a unit of SUV maker Great Wall Motors.

Some compete on price. Others emphasize performance and features, putting pressure on Western and Japanese premium brands.

NIO Inc., which has persuaded buyers in China to pay Tesla-level sticker prices of up to 555,000 yuan (\$80,000), says its latest SUV goes on sale this year in Europe. The ES6 boasts voice-activated controls and a range of 610 kilometers (380 miles) on a charge.

"We are very confident the ES6 will compete in this premium SUV market," NIO's founder and CEO, William Li, said in an interview at the Shanghai auto show.



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Sales of battery-powered vehicles and gasoline-electric hybrids in China almost doubled last year to 6.9 million vehicles, or half the global total.

That was supported by multibillion-dollar subsidies from the ruling Communist Party, which is trying to make China a creator of clean energy and other technologies. That rattles U.S. and European leaders who see China as a strategic and industrial competitor.

Chinese brands are "serious competition," according to David Leah, an analyst for GlobalData.

They have "more competitive battery technology" and can "achieve greater economies of scale," Leah said in an email.

BYD Auto, owned by battery maker BYD Co., [edged ahead of Tesla](#) in total 2022 sales at 1.9 million vehicles. Half were gasoline-electric hybrids, while Tesla's fleet is pure electric.

"We have a lot of respect for the [car companies](#) in China," Tesla CEO Elon Musk said in a Jan. 25 conference call with financial analysts. "They work the hardest and they work the smartest."



Ohta, who just bought a brand new BYD ATTO 3 electric sports utility vehicle, poses with his car and a symbolically-made key at a BYD dealership on April 4, 2023, in Yokohama near Tokyo. BYD Auto is part of a wave of Chinese electric car exporters that are starting to compete with Western and Japanese brands in their home markets. They bring fast-developing technology and low prices that Tesla Inc.'s chief financial officer says "are scary." Credit: AP Photo/Eugene Hoshiko

Chinese brands are developing EVs to compete without subsidies as Beijing shifts the burden to the industry by requiring them to earn credits for selling electrics. Prices start as low as 100,000 yuan (\$14,500) for a compact SUV with a 400-kilometer (250-mile) range on one charge.

"The Chinese are scary," Tesla CFO Zachary Kirkhorn said on the analyst call.

Chinese EV brands mix research and design centers in the United States and Europe with factories in China.

Geely's Zeekr plans to launch an all-electric sedan and an SUV this year in the Netherlands and Sweden. Its mini-United Nations of Chinese and European designers is in Gothenberg, Sweden, adjacent to Volvo Cars, another Geely brand, while its factories are in China.

"Our ambition is to be a key player in electrified mobility in Europe within this decade," said Zeekr CEO Spiros Fotinos, a Toyota and Lexus veteran. With a "clear global ambition," he said, "we're looking at the opportunities and right timing for other markets."



Ohta, who just bought a brand new BYD ATTO 3 electric sports utility vehicle, poses with a symbolically-made key handed by Kazuhisa Okamoto, head of the Yokohama BYD dealership on April 4, 2023, in Yokohama near Tokyo. BYD Auto is part of a wave of Chinese electric car exporters that are starting to compete with Western and Japanese brands in their home markets. They bring fast-developing technology and low prices that Tesla Inc.'s chief financial officer says “are scary.” Credit: AP Photo/Eugene Hoshiko

CEO Carlos Tavares of Stellantis, the parent company of Chrysler, Peugeot and FIAT, warned in January that Europe needs a strategy to compete with China's lower prices. European-made electrics cost 40% more than Chinese models, according to Tavares.

"It's a very bleak scenario," Tavares told German magazine

Automobilwoche. "But it doesn't have to go that way."

BYD Auto's exports quadrupled last year to 55,916 sedans, SUVs and hatchbacks. Most went to India, Thailand, Brazil and other developing markets. BYD announced a 1,000-vehicle sale last year to Mexico's VEMO for the biggest EV taxi fleet outside China.

State-owned BAIC, headquartered in Beijing, said a dealer in Jordan ordered 1,000 units of its compact EU5 sedan in January. The company said it plans to launch two to three more electric vehicles in Latin America, Southeast Asia and Europe.



Ohta, who just bought a brand new BYD ATTO 3 electric sports utility vehicle, gets in his car at a BYD dealership on April 4, 2023, in Yokohama near Tokyo. BYD Auto is part of a wave of Chinese electric car exporters that are starting to

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What about the United States, the biggest, richest market?

Chinese EV brands are skittish about a sprawling country that demands big investments in dealerships and charging networks, especially while Washington and Beijing are feuding over security, technology and human rights.

"This is not an easy task," said NIO's Li. "Our products and services need to be prepared."

BYD Auto has been in the U.S. market for a decade selling battery-powered transit buses assembled at a factory northeast of Los Angeles. It is "still in the process" of deciding whether to sell SUVs and sedans to Americans, the company said in a written response to questions.

Political tensions "make it difficult for a Chinese company to launch, EV or otherwise," in the United States, Leah said.

In Europe, Great Wall's Ora sells its 03 model starting at 140,000 yuan (\$20,000). Ora tries to stand out among dozens of fledgling brands by marketing its cars as being designed for women, their body sizes and daily needs.



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"This is a second or third car for a household. It can be used by a wife or daughter to commute to work, to go out with friends or to go shopping," said Ora's deputy general manager, Tan Jian.

In Europe, BYD Auto has partnerships with dealership chains in Britain, Sweden, Germany and the Netherlands. The company says it also has delivered cars in Belgium, Denmark and Austria. It has a deal with

European rental company SIXT that BYD says will lead to sales of up to 100,000 vehicles over the next six years.

In Japan, BYD Auto plans to have 100 showrooms by the end of 2025. Its Dolphin hatchback and Seal sedan are due to hit the Japanese market this year. The company says it also has exported some 4,000 ATTO 3s to Australia.

Furukawa's OZ Co. converts Volkswagen Beetles and other classic models by replacing gasoline engines with batteries and electric motors. Furukawa said he drives his ATTO 3 every day and has gone as far as Osaka, 400 kilometers (250 miles) away.



Zeekr CEO Spiros Fotinos speaks during a rehearsal or a presser at the Auto Shanghai 2023 show in Shanghai, Monday, April 17, 2023. Geely's Zeekr plans

to launch an all-electric sedan and an SUV this year in the Netherlands and Sweden. Its mini-United Nations of Chinese and European designers is in Gothenberg, Sweden, adjacent to Volvo Cars, another Geely brand, while its factories are in China. Credit: AP Photo/Ng Han Guan



Ohta, who just bought a brand new BYD ATTO 3 electric sports utility vehicle, sits in his car at a BYD dealership on April 4, 2023, in Yokohama near Tokyo. BYD Auto is part of a wave of Chinese electric car exporters that are starting to compete with Western and Japanese brands in their home markets. They bring fast-developing technology and low prices that Tesla Inc.'s chief financial officer says “are scary.” Credit: AP Photo/Eugene Hoshiko



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NIO's founder and CEO, William Li speaks near the ES6 during an interview at the Auto Shanghai 2023 show in Shanghai, Tuesday, April 18, 2023. NIO Inc., which has persuaded buyers in China to pay Tesla-level sticker prices of up to 555,000 yuan (\$80,000), says its latest SUV goes on sale this year in Europe. The ES6 boasts voice-activated controls and a range of 610 kilometers (380 miles) on a charge. Credit: AP Photo/Ng Han Guan



A BYD ATTO 3 electric sports utility vehicle gets charged as it is displayed at a BYD dealership on April 4, 2023, in Yokohama near Tokyo. BYD Auto is part of a wave of Chinese electric car exporters that are starting to compete with Western and Japanese brands in their home markets. They bring fast-developing technology and low prices that Tesla Inc.'s chief financial officer says “are scary.” Credit: AP Photo/Eugene Hoshiko



A visitor stands near a display of a car from Ora at the Auto Shanghai 2023 show in Shanghai, Wednesday, April 19, 2023. In Europe, Great Wall's Ora sells its 03 model starting at 140,000 yuan (\$20,000). Ora tries to stand out among dozens of fledgling brands by marketing its cars as being designed for women, their body sizes and daily needs. Credit: AP Photo/Ng Han Guan



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Flowers adorn a car from Ora at the Auto Shanghai 2023 show in Shanghai, Wednesday, April 19, 2023. In Europe, Great Wall's Ora sells its 03 model starting at 140,000 yuan (\$20,000). Ora tries to stand out among dozens of fledgling brands by marketing its cars as being designed for women, their body sizes and daily needs. Credit: AP Photo/Ng Han Guan



A BYD dealership is seen on April 4, 2023, in Yokohama near Tokyo. BYD Auto is part of a wave of Chinese electric car exporters that are starting to compete with Western and Japanese brands in their home markets. They bring fast-developing technology and low prices that Tesla Inc.'s chief financial officer says “are scary.” Credit: AP Photo/Eugene Hoshiko



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BYD Auto's Yokohama showroom, which opened Feb. 2, is surrounded by dealerships for established brands including Toyota, Nissan, BMW, Volkswagen and Chevrolet.

A married father of one said he looked at Japanese models but bought an ATTO 3 for its roominess and price.

"I like the ride, and it's easy to drive," said the buyer, who asked to be

identified only by his surname, Ohta. "There are so many good features."

Ohta's father had a "negative reaction" about BYD being from China, which has a history of strained relations with Japan. But Ohta said his job in the electronic games industry has taught him to respect Chinese innovation.

"They are coming out with excellent products," Ohta said. "I have respect for the nation."

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