

BYD overtakes Tesla for most EV sales

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BYD sold more fully electric vehicles than Tesla in the fourth quarter of 2023.

US car maker Tesla has lost its crown for most sales of all-electric vehicles to Chinese firm BYD, which has capitalized on Beijing's strong government support for the burgeoning sector.

The US-based car manufacturer run by billionaire Elon Musk delivered a

record 484,507 vehicles in the fourth quarter of 2023, according to a company filing Tuesday—up more than 11 percent from the previous quarter.

But this impressive increase was not enough to maintain Tesla's title as the world's top maker of battery electric vehicles, as Chinese rival BYD reported sales on Monday of 526,409 for the same period.

In addition to delivering fewer vehicles, Tesla also trailed BYD in vehicle production in the fourth quarter.

The figures underscore the challenges Tesla is likely to face this year, from competitors keen to capitalize on the growing demand for EVs.

Tesla's stock slipped after the news was announced, before regaining ground to finish broadly flat.

BYD 'structural advantage'

BYD began life in 1995 as a battery manufacturer, and later turned its attention to producing plug-in hybrid and all-electric vehicles.

The Shenzhen-based company competes against Tesla on price inside China and in Europe.

BYD "has a structural advantage in as much as its expansion is underpinned by very strong support for electric vehicles by the Chinese government," GlobalData Managing Director Neil Saunders told AFP.

"This is helping to boost domestic demand which, in turn, strengthens BYD's hand in the export market," he added.

Despite strong sales, the firm does not currently sell its vehicles in the

United States, where it would be subject to costly import tariffs.

As well as besting Tesla in pure electric sales, BYD sold more than 400,000 plug-in hybrid [electric vehicles](#) in the fourth quarter.

In total, it sold more than three million passenger vehicles last year.

Tesla annual sales strong

Despite losing its quarterly sales crown, Tesla was still top on an annual basis, delivering more than 1.8 million EVs to customers in the year to December, up 38 percent.

This was well above BYD's sales figure of just under 1.6 million, which represented a 73 percent year-on-year increase.

Garrett Nelson, an equity analyst at CFRA Research, predicted that Tesla has plenty of reasons for optimism in 2024, not least the "plummeting" cost of electric batteries.

Tesla sales are also likely to be boosted by the introduction of its "long-promised mass market EV model later this year," he said.

The company also stands to benefit from "increasing distress among upstart EV companies and traditional automakers pulling back somewhat on their prior EV growth plans," he added.

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