

Chinese auto exports rose 64% in 2023, with strong push by EVs, as makers expanded overseas

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New cars for export waiting for transportation on a vehicles carrier vessel at a dockyard in Yantai in east China's Shandong province on Nov. 2, 2023. China's auto exports surged 63.7% in 2023 while sales at home, boosted by year-end incentives, rose 4.2%, an industry association said Thursday, Jan. 11. Credit: Chinatopix via AP

China's auto exports surged 63.7% in 2023 while domestic sales, boosted by year-end incentives, rose 4.2%, an industry association said Thursday.

The surge in exports, to 4.1 million according to the China Association of Automobile Manufacturers, may propel China past Japan as the world's number one exporter of cars. Japan exported 3.6 million cars in the first 11 months of the year, with a final tally expected on Jan. 31.

Chinese automakers have aggressively expanded exports in search of growth missing at home as China's economy slows. They have also pushed into electric vehicles as government subsidies transformed China into the world's largest EV market, even as car sales have stagnated overall.

Auto sales inside China totaled 21.9 million cars last year, down from a peak of about 24 million in 2017.

An explosion in sales to Russia helped drive up China's exports in 2023, as European and Japanese makers pulled back because of the war in Ukraine. China exported 840,000 vehicles to Russia in the first 11 months of last year, including trucks and buses as well as cars.

The China Passenger Car Association said earlier this week that demand in Russia and neighboring countries is slowing and future export growth will depend on an expansion of EV sales overseas. Chinese EV makers have targeted markets in Southeast Asia, Europe and Australia, among others.



People look at the Lixiang car models at a floor section selling various Chinese-made electric car brands inside a shopping mall in Beijing on Tuesday, Jan. 9, 2024. China's auto exports surged 63.7% in 2023 while sales at home, boosted by year-end incentives, rose 4.2%, an industry association said Thursday, Jan. 11. Credit: AP Photo/Andy Wong

A Chinese shipyard delivered the country's first domestically built freighter to transport cars this week, the builder, CIMC Raffles Group, said in an announcement posted on social media. The BYD Explorer No. 1, which can carry 7,000 vehicles, is being loaded at two ports before departing for Europe. BYD, which is leasing the ship, is China's biggest maker of EVs.

"The successful delivery of the project has further consolidated the

international leading position of China's shipbuilding companies in the field of automobile carriers and opened up a new route for China's car companies to go overseas," the post read.

Exports are not a complete gauge of overseas sales. Japan's automakers assemble many more cars outside their home country than they export, and their foreign sales outpace those of their Chinese counterparts. Chinese makers are looking to build more vehicles overseas, with BYD announcing plans last month for its first European plant.



People walk through a floor section selling various Chinese-made electric car brands inside a shopping mall in Beijing on Tuesday, Jan. 9, 2024. China's auto exports surged 63.7% in 2023 while sales at home, boosted by year-end incentives, rose 4.2%, an industry association said Thursday, Jan. 11. Credit: AP Photo/Andy Wong

The manufacturers' association does not provide a breakdown for electric vehicles, but data released by the passenger car association showed that electric vehicles accounted for 24% of new car sales in China in 2023, up from 12% in 2021. Including hybrids, the share of new-energy vehicles in total sales reached 36% last year.

The Tesla Model Y was the best-selling electric vehicle in China last year, with 646,800 units sold, followed by the BYD Song sedan at 428,600 units, according to the passenger car group.

The Model Y retails for 266,400 to 363,900 yuan (\$37,500 to \$51,200), according to the Tesla website, and the BYD Song for 129,800 to 159,800 yuan (\$18,300 to \$22,500).

Bill Russo, founder of the Automobility consultancy in Shanghai, said Chinese firms have democratized the electric vehicle by driving down its price. The next challenge will be to convince buyers that an EV can meet their driving needs. But the first step is to make it available at a price that will get them to consider one, Russo said.



People walk through a floor section selling various Chinese-made electric car brands inside a shopping mall in Beijing on Tuesday, Jan. 9, 2024. China's auto exports surged 63.7% in 2023 while sales at home, boosted by year-end incentives, rose 4.2%, an industry association said Thursday, Jan. 11. Credit: AP Photo/Andy Wong



A cleaner wipes on the Tengshai's booth displaying its EV car model N7, right, and D9 Premier, left, at a floor section selling various Chinese-made electric car brands inside a shopping mall in Beijing on Tuesday, Jan. 9, 2024. China's auto exports surged 63.7% in 2023 while sales at home, boosted by year-end incentives, rose 4.2%, an industry association said Thursday, Jan. 11. Credit: AP Photo/Andy Wong



A woman walks past vehicles on a city ring-road clogged with heavy traffic in Beijing on Aug. 13, 2019. China's auto exports surged 63.7% in 2023 while sales at home, boosted by year-end incentives, rose 4.2%, an industry association said Thursday, Jan. 11. Credit: AP Photo/Andy Wong, File



Tugboats pull a newly completed BYD's Ro-Ro Explorer No.1, a vehicles carrier vessel off the shipyard during the delivery in Yantai in east China's Shandong province on Tuesday, Jan. 9, 2024. China's auto exports surged 63.7% in 2023 while sales at home, boosted by year-end incentives, rose 4.2%, an industry association said Thursday, Jan. 11. Credit: Chinatopix Via AP



A vehicles carrier vessel sails past a port in Xiamen in southeast China's Fujian province on Dec. 27, 2023. China's auto exports surged 63.7% in 2023 while sales at home, boosted by year-end incentives, rose 4.2%, an industry association said Thursday, Jan. 11. Credit: AP Photo/Andy Wong

"That's the paradigm that the Chinese have broken, that you can make an EV affordable," he said in a recent interview. "What China is doing with the EV is it's using its domestic market to generate economies of scale that it can then take internationally."

Fitch Ratings said in a report last month that it expects the share of new energy vehicles including hybrids to rise to 42%-45% of China's total sales in 2024. It also projected that exports would grow 20% to 30% this year.

The European Union, concerned about [rising imports from China](#), opened a trade investigation last year into Chinese subsidies for electric vehicles. The investigation is ongoing.

The Chinese manufacturer's association said the total sales of all vehicles, at home and abroad and including trucks and buses, reached the 30-million-unit milestone in 2023, a 12% rise over the previous year. It forecast growth would slow to about 3% this year.

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