

ECG: Vehicle Exports from China rise 30% in H1 to Global Markets: Europe at crossroads

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Europe's imports of vehicles from China in the first half of 2024 is at a crossroads, according to European Car-Transport Group of Interest (ECG).

Data from the China Association of Automobile Manufacturers (CAAM) states that a total of 485,000 units have been exported in June from China to global markets, bringing the year-to-date total to 2.79 million units, a 31.2% year on year increase. But what of Europe? Has the share to Europe increased or decreased? And has the value of these vehicles to Europe seen any change?

Let's begin with a quick analysis of the data concerning vehicle export volumes from China, where we choose to use the CAAM data. Here we see that monthly exports from China to the rest

of the world peaked in April at 504,000 units but on average have hit 465,000 units per month so far this year. In 2023 the monthly average for the first half of the year was just 357,000 units.



Then we look at the type of vehicles exported—are they internal combustion engine (ICE) models or new energy vehicles (NEVs) which comprise plug in hybrid electric vehicles (PHEVs) and pure battery electric vehicles (EVs). So far this year a total of 2.19 million ICE vehicles have been exported from China, 78% of the total volume. NEVs account for just 605,000 units or 21.6%. In the month of June, ICE exports rose to account for 82% of the total at 399,000 units while NEVs dropped to 17.7% with 86,000 units exported.

Now, lets look at just Europe. CAAM has yet to release destination volumes for June, but it has released volumes for January to May 2024. In the first five months of the year, exports from China to countries in Europe (including the UK) were 318,851 units marking an increase of 19% compared to the same period in 2023.

But the story does not end there.

Data from the ITC in Geneva offers a glimpse of the changing value of exports taking place.

In the first half (H1) of 2024, the value of passenger vehicles exported from China hit USD 42.7 billion, up 23% year on year.

But exports from China to Europe in the first half of the year were USD 11.59 billion, down from USD 13.11 billion in the first half of 2023.

So, despite the number of units exported from China to Europe rising, the vehicles coming are less expensive than those exported last year. The China Automotive Dealer Association (CADA) highlights the ongoing price-war escalating in China which started around the Spring Festival In February, resulting in prices of hot selling models being reduced by almost 20% by May. With the value of passenger car models in China being slashed, could it be that this has affected the overall value of car exports to Europe?

Meanwhile, the potential EU-China trade war has definite implications which are visible in the data. We see declines in February of both volume and value of vehicle exports from China to Europe, with sharp increases in April. With provisional tariffs imposed from 5 July, dealers across Europe looked to register new vehicles prior to that date. Car exports leaving China in April reached Europe well before the July deadline even when having to travel the extra mileage around the Cape of Good Hope.

