Macro Roundup Article

Headline: China Set to Overtake Japan as World's Biggest Car Exporter

Article Link: https://www.ft.com/content/cdcb0d7e-3ec2-42bc-bfcc-9489290aa9ae

Author(s)	Edward White, Song Jung-a, Leo Lewis and Andy Lin
Publication	Financial Times
Publication Date	September 12, 2023

Tweet: China is set to become the world's largest car exporter, shipping 2.8mm vehicles through July. An industry analyst suggests that Chinese EV and legacy ICE manufacturers have excess capacity that may be as large as 25mm units/year.

Summary: China is set to become the world's biggest car exporter this year, overtaking Japan. Driving China's global ascendancy are deep structural problems in the domestic auto industry, which threaten to upend car markets across the world. A stark mismatch between production at Chinese factories and local demand has been caused, in part, by industry executives mis-forecasting three key trends: the rapid decline of internal combustion engine car sales, the explosion in popularity of electric vehicles and the declining need for privately owned vehicles as shared mobility booms among an increasingly urbanised Chinese population. The result has been "massive overcapacity" in the number of vehicles produced in factories across the country, said Bill Russo, former head of Chrysler in China and founder of advisory firm Automobility. "We have an overhang of 25mn units not being used."

Related Articles: China's Auto Export Wave Echoes Japan's in the '70s and Can Volkswagen Win Back China? and How China Became A Car-Exporting Juggernaut

Primary Topic: China

Topics: China, GDP, News article, Trade (not deficits), Weekly

Permalink: https://www.edwardconard.com/macro-roundup/china-is-set-to-become-the-worlds-largest-car-exporter-shipping-2-8mm-vehicles-through-july-an-industry-analyst-suggests-that-chinese-ev-and-legacy-ice-manufacturers-have-excess-capacity-that-may?view=detail

Featured Image Link: https://www.edwardconard.com/wp-content/uploads/2023/09/China-Car-Exports-.png