

Macro Roundup Article

Headline: [Can Electric Cars Power China's Growth?](#)

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Summary: The European Automobile Manufacturers Association estimates that BEV sales in Europe equaled 1.2 million in 2021 and 1.6 million in 2022, with total sales of motor vehicles dipping from 11.8 million to 11.3 million. Given the rising popularity of BEVs (increasing from 10% to 14% of the market) and China's higher share of that region's BEV sales (17% to 28%), a quick calculation shows that China's BEV share of total vehicle sales doubled from 2% to 4% in one year. Assuming that China's exports to Europe grew at the same rate as its total BEV exports, then Chinese vehicles made up 35% of Europe's higher BEV sales in 2023, accounting for 5.5% of total motor vehicle sales in the region. Such gains may soon flatten out, both from greater competition as European plants work to catch up and from political pressure to put a cap on China's exports. China itself is a case study of a government protecting a favored domestic industry, with the U.S.-Japan Voluntary Export Restraint (VER) program in the early 1980s being another.

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