

Macro Roundup Article

Headline: [China's EV Juggernaut Is a Warning for the West](#)

Article

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Tweet: China's highly competitive and creative internal market has left its automakers well positioned vs. western firms in the global EV market. @greg_ip

Summary: Sales of EVs remained weak until 2019, when China let Tesla open a wholly-owned factory in Shanghai. “It took this catalyst...to boost interest and increase the level of competitiveness of the local Chinese makers,” said Tu Le, managing director of Sino Auto Insights, a research service specializing in the Chinese auto industry. Back in 2011 Pony Ma, the founder of Tencent, explained what set Chinese capitalism apart from its American counterpart. “In America, when you bring an idea to market you usually have several months before competition pops up, allowing you to capture significant market share,” he said, according to Fast Company, a technology magazine. “In China, you can have hundreds of competitors within the first hours of going live. Ideas are not important in China—execution is.” Thanks to that competition and focus on execution, the EV industry went from a niche industrial policy project to a sprawling ecosystem of predominantly private companies. When Western auto executives flew in for April’s Shanghai auto show, “they saw a sea of Chinese brands,” said Le. “They hear the sounds of the door closing, sit inside and look at the quality of the materials, the fabric or the plastic on the console, that’s the other holy s— moment—they’ve caught up to us.” Related: China’s Auto Export Wave Echoes Japan’s in the ’70s

Primary Topic: Investment

Topics: China, GDP, Investment, Op-Ed/Blog Post, Productivity, Trade (not deficits)

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