

# An Insider's View of the Rise of Chinese Automakers

Understanding the Global EV Revolution and Its  
Implications for North American Fleet Managers

## PANELISTS

### Dr. Leo Cai

Former EVP & CSO  
eHi Car Services, China

### Ryan Pritchard

CEO, SHAED.ai  
Pritchard Companies

## MODERATOR

Charlie Vogelheim, Auction Academy

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# China Produces Over 70% of the World's Electric Vehicles



**12.4M**

EVs produced by China in 2024  
out of 17.3 million globally (>70%)

**40%**

of global EV exports  
1.25 million units exported from China

**9.5M**

Top 5 Chinese automakers sales (2024)  
More than doubled from 4.6M in 2020  
Source: IEA Global EV Outlook 2025

# Development Speed: The Ultimate Competitive Weapon



Chinese Automakers

18

Months

New model development cycle

Western OEMs

5+

Years

Traditional development cycle

Source: Reuters Special Report, July 2025; AlixPartners

# Development Speed: Real-World Impact

## AVERAGE MODEL AGE

**1.6**

years

Chinese EV models

vs. 5.4 years for foreign brands

## RAPID REDESIGN

**6**

weeks

Chery redesigned Omoda 5 for Europe

Western OEMs: 1+ year for same task

## MODEL LAUNCHES SINCE 2020

**40+**

BYD all-new vehicles

+ 139 updated models

Tesla: 5 models total

*"Global automakers have no idea what they're up against."*

— Peter Matkin, Chery Chief International Brands Engineer

# Vertical Integration: BYD Makes 75% of Its Own Parts

## IN-HOUSE PARTS MANUFACTURING COMPARISON

**75%** BYD

**46%** Tesla Model 3

**35%** VW ID.3

## STRATEGIC ADVANTAGES

**900,000 employees** — nearly equal to Toyota + VW combined

**Company-subsidized** housing, transportation, schools at Shenzhen HQ

**Full control** over batteries, semiconductors, and software stack

**Flat leadership** structure enables rapid decision-making



Source: Reuters Special Report, July 2025; AlixPartners

# 169 Automakers Compete in China—Only the Most Innovative Survive

**169**

Automakers competing  
93 have <0.1% market share

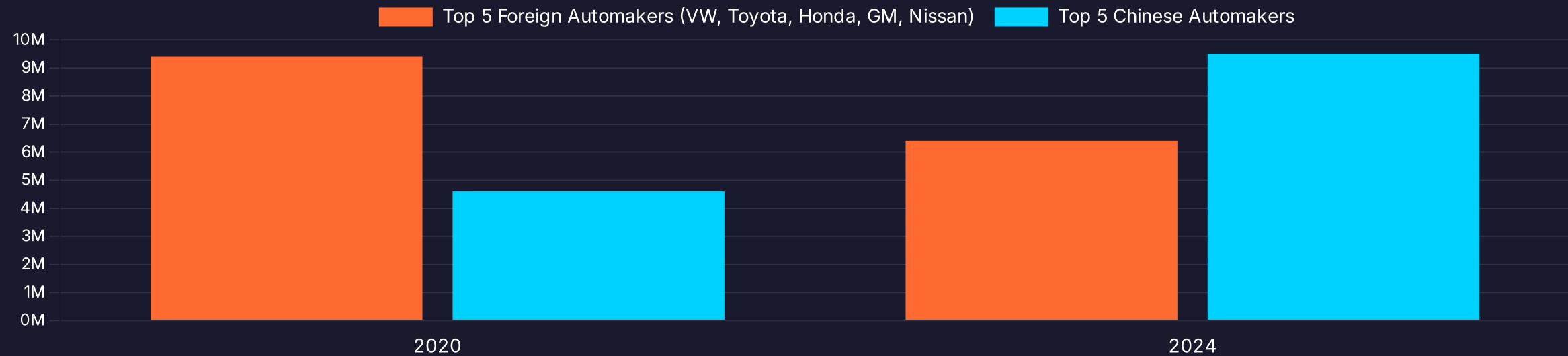
**54M**

Annual production capacity  
vs. 27.5M actually produced

**\$7,789**

BYD Seagull price  
Fierce price war underway

**Sales Volume Shift: Foreign vs. Chinese Automakers (Millions)**



*"The survivors will be hugely powerful. But it's a very cruel and competitive process."*

Source: Reuters Special Report, July 2025; JATO Dynamics

# Chinese vs. Western EV Strategies: A Different Playbook

Speed and Iteration vs. Perfection and Legacy

Strategic Element	Chinese OEMs	Western OEMs
Development Philosophy	"Fail-fast," iterate, launch and improve	Meticulous, long-cycle, aim for perfection at launch
Innovation Focus	Software, digital UX, AI, business model experimentation	Hardware engineering, performance, safety, brand legacy
Supply Chain Model	High degree of vertical integration (batteries, software)	Complex, multi-tiered global supplier network
Customer Experience	The car as a connected "smart device" on wheels	Focus on driving dynamics, comfort, and established brand values
Model Launches	Continuous updates via OTA, frequent new models	Scheduled updates, service center visits, longer model cycles

Source: Reuters Special Report, July 2025

# Battery-as-a-Service: 5-Minute Battery Swapping for Fleets

## ⚡ 5-Minute "Refueling"

Battery swap completes in under 5 minutes—faster than refueling a gasoline vehicle

## 💰 Lower Upfront Cost

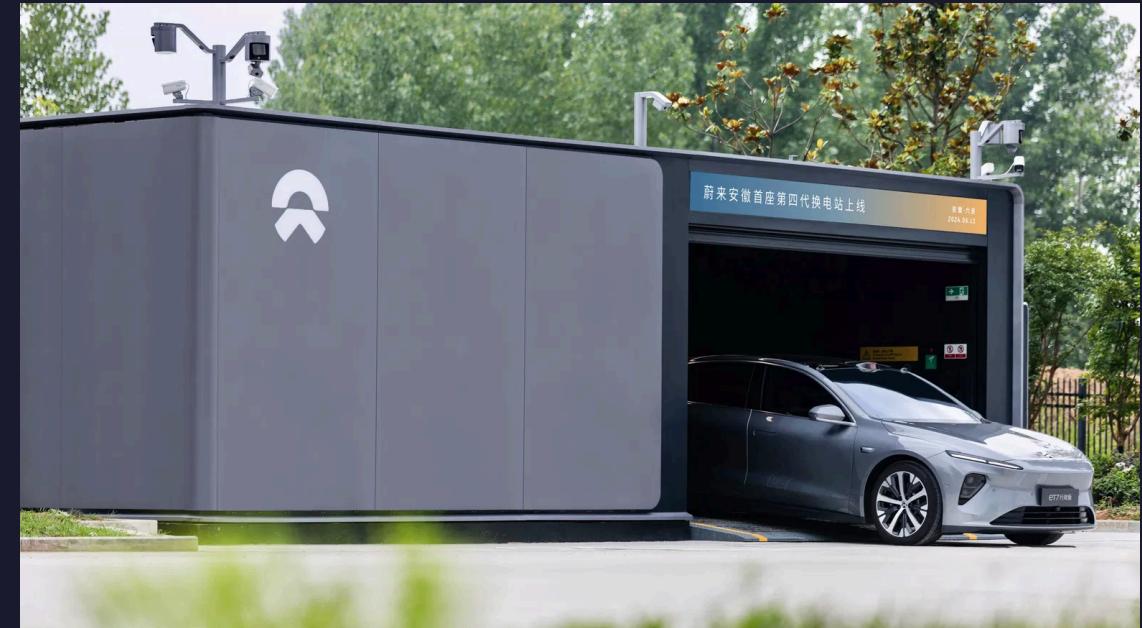
Battery ownership separated from vehicle purchase, reducing initial investment for fleet operators

## 🔋 No Degradation Concerns

Upgrade to newer, higher-capacity batteries as technology improves without replacing vehicles

## 🚕 Ideal for High-Utilization

Perfect for taxis, delivery fleets, and rental operations requiring 24/7 uptime



Source: NIO Power Swap Station

# The Car as a Smart Device: Digital Experience Matters



## ■ Smart Cockpits

Large HD displays, AI-powered voice assistants, and rich app ecosystems for entertainment, productivity, and vehicle control

## 🔗 Seamless Integration

Native integration with mobile payments, navigation, entertainment, and digital services—just like a smartphone

## ⟳ Frequent OTA Updates

Over-the-Air updates add features and improve performance continuously, keeping vehicles current without service visits

## 📊 Data-Driven Personalization

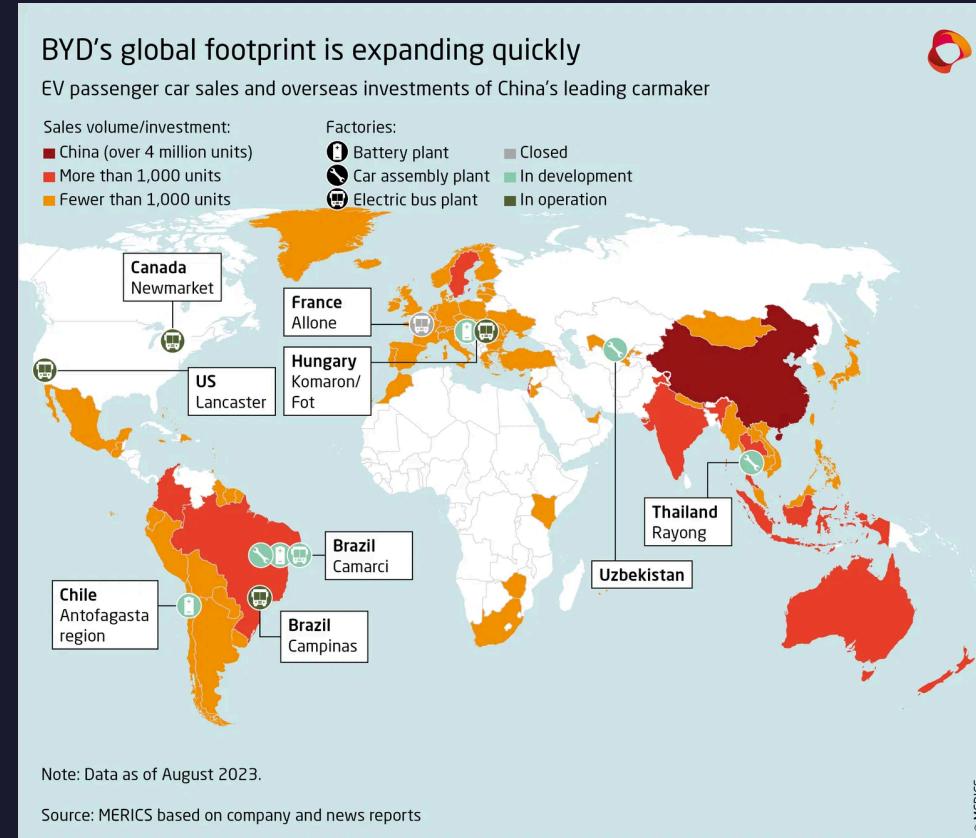
Vehicle and user data enable personalized services, predictive maintenance alerts, and continuous improvement

### RYAN PRITCHARD INSIGHT

*"In China, the expectation is that your car is as smart and connected as your smartphone. Western OEMs are catching up, but Chinese brands set the bar."*

Source: Customer Experience Group; AI Supremacy analysis

# Southeast Asia: 85% of Thailand's EV Sales Are Chinese-Made



## MARKET PENETRATION BY COUNTRY

**85%**

**Thailand**

of EV sales in 2024 were Chinese-made

**67%**

**Indonesia**

Chinese EVs account for 2/3 of total sales

**#1**

**Malaysia**

BYD was bestselling EV brand in 2024

## MAJOR MANUFACTURING INVESTMENTS

**BYD Indonesia:** \$1B plant, 150K annual capacity

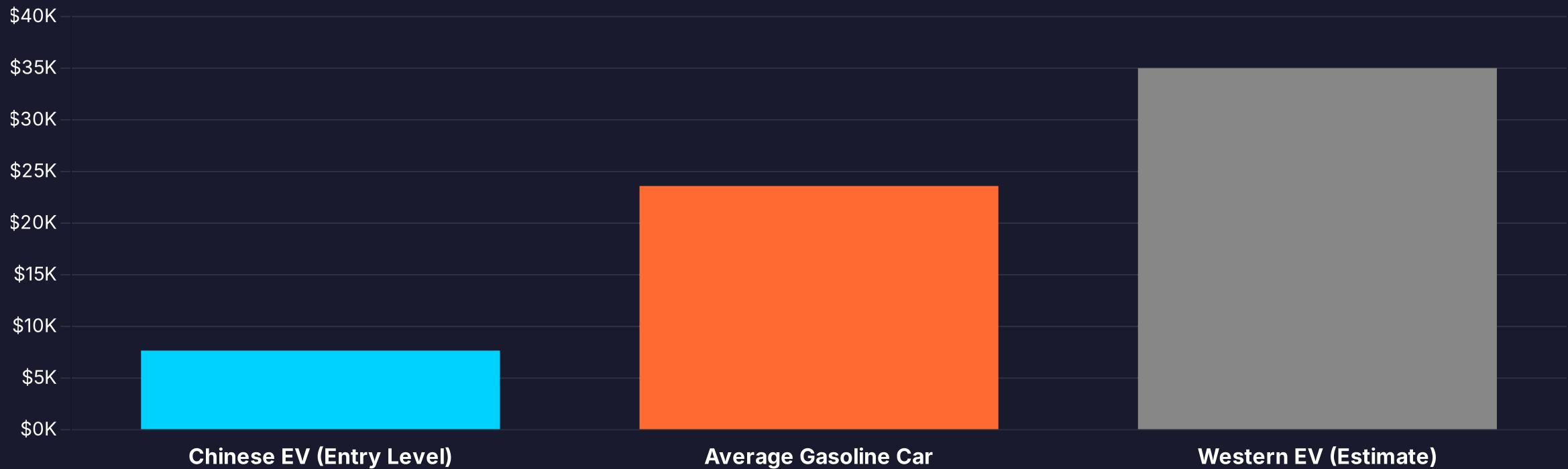
**BYD Thailand:** Manufacturing facility operational

**Other players:** Wuling, Chery, FAW, Neta, Great Wall, GAC Aion

Wuling Global vehicles, 100,000 units; Chery Global vehicles, 100,000 units; FAW Global vehicles, 100,000 units; Neta Global vehicles, 100,000 units; Great Wall Global vehicles, 100,000 units; GAC Aion Global vehicles, 100,000 units

# In Thailand, Chinese EVs Cost Less Than Gasoline Cars

## Vehicle Pricing Comparison in Thailand (USD)



### MOST AFFORDABLE OPTION

In 2024, Chinese EVs were by far the most affordable option in most emerging economies, with entry-level models starting at just \$7,668 in Thailand—significantly lower than conventional gasoline vehicles.

### EXPORT PRICING STRATEGY

Chinese EVs fetch double the retail price abroad compared to the domestic Chinese market, offsetting razor-thin margins from intense domestic competition while remaining highly competitive internationally.

Source: Global Voices, October 2025

# Latin America: BYD Captures 30% of Mexico's EV Market

## MEXICO: BYD SURPASSES TESLA

**30%** BYD Market Share

**10%** Tesla Market Share

BYD sold 14,000+ units in Mexico, establishing clear market leadership

## REGIONAL GROWTH RATES (2024)

### Brazil

Most important market in region

**88.7%**

### Mexico

Year-over-year EV sales growth

**67%**

### Colombia

Strong regional momentum

**65%**



Source: Industry reports on Latin America EV market; Visual Capitalist

# Europe: Chinese Automakers Doubled Market Share Despite 45% Tariffs

**5.9%**

EU Market Share (2025)

Doubled from previous year

**60%**

of EU EV Imports

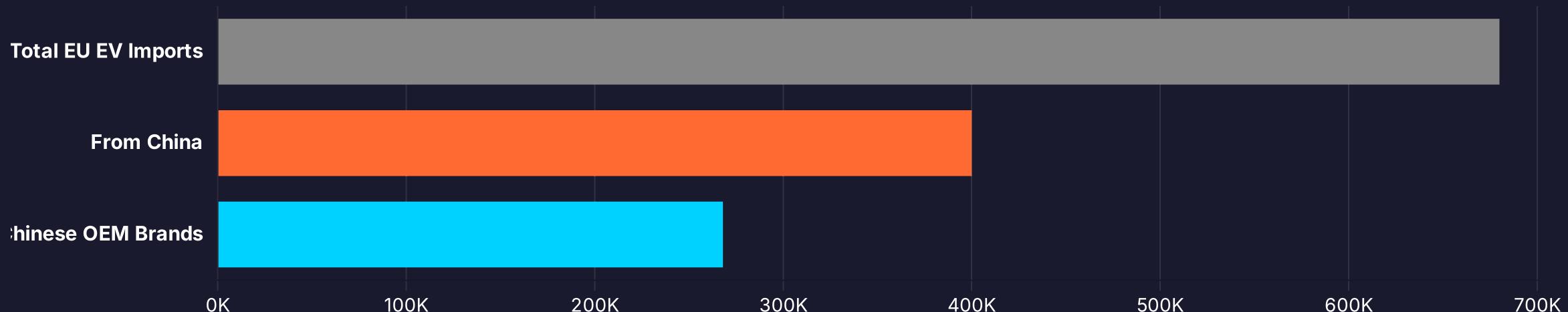
400K+ of 680K total imports

**67%**

Chinese OEM Share

Up from 50% in 2023

**EU EV Import Breakdown (2024, in thousands)**



## LEADING BRANDS

**MG (SAIC)** and **BYD** lead market penetration

Geely (Volvo) accounts for 40% of Chinese imports through European brand

## RESPONSE TO TARIFFS

**Local Manufacturing:** BYD factory in Hungary

**Strategic Partnerships:** Leveraging European brands (Volvo, Polestar)

Source: IEA Global EV Outlook 2025; JATO Dynamics

# U.S. Market: 100% Tariffs + Connected Vehicle Ban

## 🚫 TARIFF BARRIERS

# 100%

### Tariff on Chinese EVs

Finalized September 2024, making direct imports economically unviable

## ADDITIONAL TARIFFS

25% on EV batteries

50% on solar cells

25% on critical minerals

## 🔒 CONNECTED VEHICLE BAN

### Prohibits Chinese Software & Hardware

Finalized January 2025 for national security reasons

July 17 2027: Software prohibitions take effect

July 17 2029: Hardware prohibitions take effect

## NATIONAL SECURITY RATIONALE

*"We don't want two million Chinese cars on the road and then realize we have a threat."*

— Commerce Secretary Gina Raimondo

## THE BOTTOM LINE

Combined tariffs and technology restrictions create a near-total barrier to Chinese-branded passenger EVs in the U.S. market. The connected vehicle ban is arguably more significant long-term, as it targets the core digital and intelligent systems where Chinese automakers excel.

Source: Reuters, January 2025; U.S. Commerce Department

# The Mexico Backdoor: 23 Chinese Investments Since 2019

**23**

Chinese Investments  
in Mexico (2019-2023)

**50%**

of Latin America Total  
automotive investments

**220K**

Mexico EV Production  
doubled in 2024

**CHINA**

Chinese OEM Manufacturing



**MEXICO**

Assembly & Manufacturing

USMCA: Zero Tariffs



**UNITED STATES**

Potential Market Access

# The Mexico Pathway: Critical Barriers Remain

## USMCA ADVANTAGE

Manufacturing in Mexico allows **zero tariffs** between U.S., Canada, and Mexico under USMCA trade agreement

## MEXICO → U.S. TRADE

# 145K

Net EV Exports to U.S. (2024)

Mexico became U.S.'s largest EV trade partner

## STRATEGIC IMPLICATION

Chinese OEMs would need to **completely re-engineer vehicles** to comply with U.S. regulations, removing or replacing all restricted technology—a significant engineering and supply chain challenge that undermines many of their core competitive advantages.



## CRITICAL BARRIER

Connected vehicle ban still applies regardless of assembly location

Vehicles must be completely free of restricted Chinese software and hardware components, even if assembled in Mexico or elsewhere.

**Software ban:** 2027

**Hardware ban:** 2029

# Commercial Vehicles: A Critical Opening (10,000+ lbs Exempt)



## Exemption from Connected Vehicle Ban

Vehicles over **10,000 pounds** are exempt from the Chinese-connected vehicle technology ban, creating a significant market opening for commercial vehicles.



## BYD Already Operating in California

BYD currently assembles electric buses in California, demonstrating the viability of this pathway and establishing a manufacturing foothold in the U.S. market.



## Expansion Potential

Opportunities for Chinese OEMs in:

- Class 4-8 commercial trucks
- Electric delivery vans
- Vocational vehicles (refuse, utility, transit)
- School buses and shuttle buses

# What North American Fleets Should Be Watching For



## Component Supply Chains

Chinese suppliers dominate batteries, motors, and semiconductors. Even Western OEMs rely heavily on Chinese components—understanding this dependency is critical for risk management.



## Commercial Vehicle Segment

The 10,000+ pound exemption creates opportunities for Chinese OEMs in buses, trucks, and delivery vans. Monitor developments in this space closely.



## Lessons from Europe & Latin America

Chinese OEMs have proven they can succeed in diverse markets. Study their strategies in Thailand, Mexico, and Europe to anticipate future moves.

Source: Panel analysis and industry insights

# What North American Fleets Should Be Watching For (continued)



## Competitive Pressure on Western OEMs

Chinese competition is forcing Western automakers to accelerate innovation, reduce costs, and improve digital experiences—benefiting fleet customers. The 18-month development cycles and aggressive pricing from Chinese OEMs are raising the bar for all manufacturers globally.



## New Business Models & Services

Battery-as-a-Service, vehicle-to-grid integration, data monetization, and software subscriptions are reshaping fleet economics. Chinese OEMs are pioneering these models—understanding them helps you evaluate TCO and identify opportunities with any supplier.

### Battery-as-a-Service

Lower upfront costs, flexible upgrades

### Vehicle-to-Grid

Revenue from energy arbitrage

### Data Monetization

Operational insights, predictive maintenance

### Software Subscriptions

Continuous feature updates, new capabilities

Source: Panel analysis and industry insights

# Five Strategic Actions for U.S. Fleet Managers

Preparing for a Changing Competitive Landscape

1

## Diversify Supplier Relationships

Build relationships with multiple OEMs and suppliers across regions. Don't rely solely on traditional Western manufacturers—understand the full competitive landscape and emerging alternatives.

2

## Start Electrification Now

Don't wait for the "perfect" EV solution. Begin pilot programs, test vehicles in real-world conditions, and build organizational knowledge. The learning curve is steep—start climbing today.

3

## Evaluate Total Cost of Ownership (TCO) Holistically

Look beyond purchase price. Factor in maintenance, fuel/energy costs, downtime, resale value, and operational efficiency. EVs often win on TCO even when upfront costs are higher.

4

## Monitor Global Developments

What happens in Europe, Latin America, and Asia today may shape U.S. markets tomorrow. Track Chinese OEM strategies, technology trends, and competitive responses from Western manufacturers.

5

## Prepare for Software-Defined Vehicles

The future of fleet management is digital. Invest in telematics, data analytics, and integration capabilities. Vehicles are becoming connected platforms—ensure your organization can leverage the data.

Source: Panel expert insights and industry best practices

# Key Lessons from China's Fleet Ecosystem

What U.S. Fleet Managers Can Learn from China's Experience



## Speed of Adoption

Chinese fleet operators moved quickly to electrify, driven by government incentives, lower TCO, and competitive pressure. They didn't wait for perfect solutions—they piloted, learned, and scaled rapidly.



## Ecosystem Approach

Fleet operators partnered with OEMs, charging providers, energy companies, and tech platforms to create integrated solutions. Success required collaboration across the value chain.

# Key Lessons from China's Fleet Ecosystem (continued)

What U.S. Fleet Managers Can Learn from China's Experience



## Data as Strategic Asset

Leading fleet operators leveraged vehicle and operational data to optimize routes, predict maintenance, improve driver behavior, and negotiate better terms with suppliers and insurers.



## Willingness to Experiment

Chinese fleets tested battery swapping, subscription models, autonomous vehicles, and vehicle-to-grid integration. Not all experiments succeeded, but the learning accelerated innovation.

# The Competitive Landscape Is Changing—Are You Ready?

Chinese Influence Is Already Present in North America



## Component Supply

**75%**

of global EV batteries produced  
in China

Even Western OEMs depend on  
Chinese suppliers



## Commercial Vehicles

**BYD**

already assembling electric  
buses in California

10,000+ lb vehicles exempt from ban



## Competitive Pressure

**18mo**

Chinese development speed vs.  
5+ years for Western OEMs  
Forcing innovation acceleration  
globally

# Chinese Influence: The Strategic Reality

## KEY TAKEAWAY

You don't need Chinese-branded vehicles in your fleet to be affected by Chinese EV innovation. The influence is already reshaping **supply chains**, creating opportunities in **commercial segments**, and driving **competitive improvements** from all manufacturers.

**The question isn't whether to engage—it's how to prepare strategically.**

### Supply Chains

Understand dependencies

### Commercial Segments

Monitor opportunities

### Competitive Improvements

Benefit from innovation  
Source: Panel analysis and industry insights

# Stay Informed, Stay Flexible

Final Thoughts from Our Panelists



Ryan Pritchard

SHAED.ai and Pritchard Companies

*"Chinese automakers are rewriting the rules of the automotive industry. Even if they never sell a single passenger vehicle in the U.S., their influence is already here—in components, in commercial vehicles, and in the competitive pressure they're putting on every manufacturer globally. Start your electrification journey now, build relationships across the ecosystem, and stay flexible. The future is coming faster than you think."*

Fleet Forward Conference 2025

# Questions & Discussion

We welcome your questions on any aspect of today's discussion



**Chinese EV Strategies**



**U.S. Market Scenarios**



**Fleet Implications**



**Global Lessons**

**Moderator:** Charlie Vogelheim, Auction Academy

**Panelists:** Dr. Leo Cai (eHi Car Services, China) • Ryan Pritchard (SHAED.ai and Pritchard Companies)

# Thank You

## Fleet Forward Conference 2025

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**Dr. Leo Cai**

Former CEO, eHi Car Services, China

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Moderated by

**Charlie Vogelheim, Auction Academy**

### KEY RESOURCES FOR CONTINUED LEARNING

 IEA Global EV Outlook 2025

 Reuters Special Report: Chinese Auto Giants

 Global Voices: Chinese EVs in Southeast Asia

 U.S. Commerce Dept: Connected Vehicle Rule

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