

China: The Automotive Godzilla

How Big, How Strong, How Dangerous?

Michael Dunne, CEO, Dunne Insights LLC

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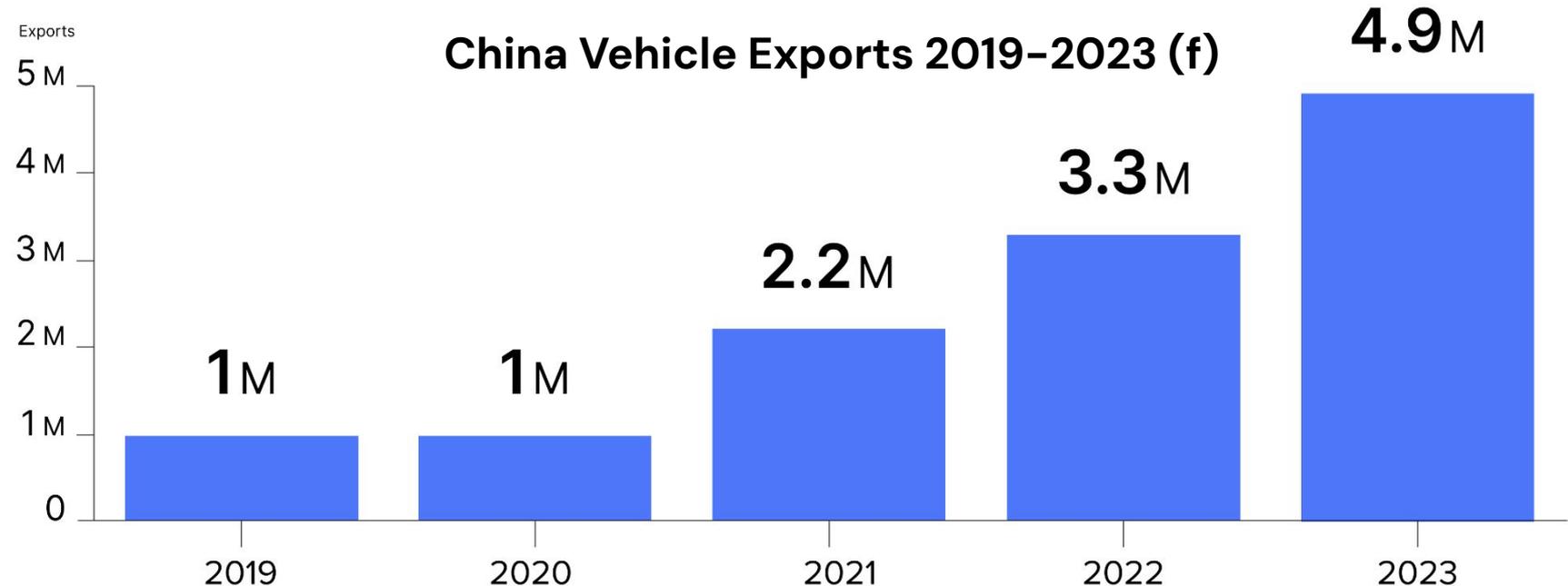
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Yes - Capable of destroying everything in its path

Artwork created by Leonardo.ai

Export Powerhouse: China has blown past Japan to become the world's No.1 exporter

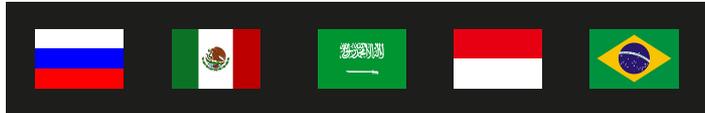


Shipping to more than **100 countries in 2023.**

A Global Two-Track Export Strategy: ICE Cars & Electrics

ICE

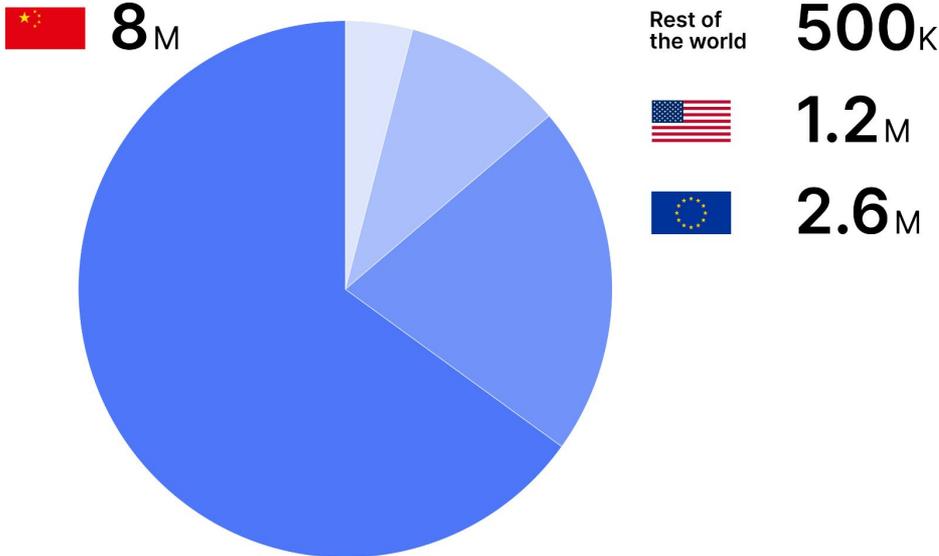
EV



China has capacity to build 40 million cars a year.
Domestic demand is 25 million.

China Utterly Dominates Global EV Production

Global EV Production
2023 (f)



China also has world's two largest battery makers: CATL and BYD

Chinese brands already take **10% of Europe's EV market**



"Chinese EVs pose an imminent risk to Europe's auto industry"

Oliver Zipse
CEO, BMW



"There will be a terrible fight with the Chinese"

Carlos Tavares
CEO, Stellantis

Made-in-China EVs are 30% less expensive than ones made in Europe.



PRC's Master Blueprint: Made in China 2025



GOAL

**Supremacy in next generation
technologies: Chips, AI, EVs, Robotics,
Autonomous Cars**



BYD Seagull \$11,300

China's EV Beast:



BYD will build **3 million cars** in 2023,
take **45% of China's EV production**



BYD Atto 3 \$43,000



The Look Up U8 \$149,000



Shanghai Auto-owned MG-4

Instant Brand Recognition: When China Owns Western Brands



Geely-owned Volvo EX-30



Geely-owned Lotus Eletre

Here Come The **Would-be Teslas of China**

**Billionaire Founders:
Xpeng, NIO and Li Auto**



Xpeng G9 starts at arts at just **\$37,000**



How It Started



Kissinger & Chairman Mao In Better Times (1972)

How It's Going



"Don't play with fire" Xi warns Biden.

China pursues global domination in EVs. How will the world respond?

Henry Kissinger:

- 2019: *We are in the foothills of a Cold War*
- 2021: *We are in the mountain passes of a Cold War.*
- 2022: *We are in a Cold War.*



Europe Announces Anti-Subsidy Probe Into Chinese EVs

**"We in Europe are for
open competition, not a
race to the bottom."**

Ursula Von Der Leyen

Risks and opportunities for auto finance

(assuming Chinese don't get blocked)

1. Fleet Leasing:

Chinese sell on cash or financing at home, much less familiar with leasing.

2. Service:

Chinese are strong in manufacturing, much less capable in after-sales services.

3. Extended Warranties:

How good are the Chinese on long-term quality? Residuals?

Top picks: BYD, Geely Group (Volvo/Polestar/Zeekr), Shanghai Auto, Great Wall

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