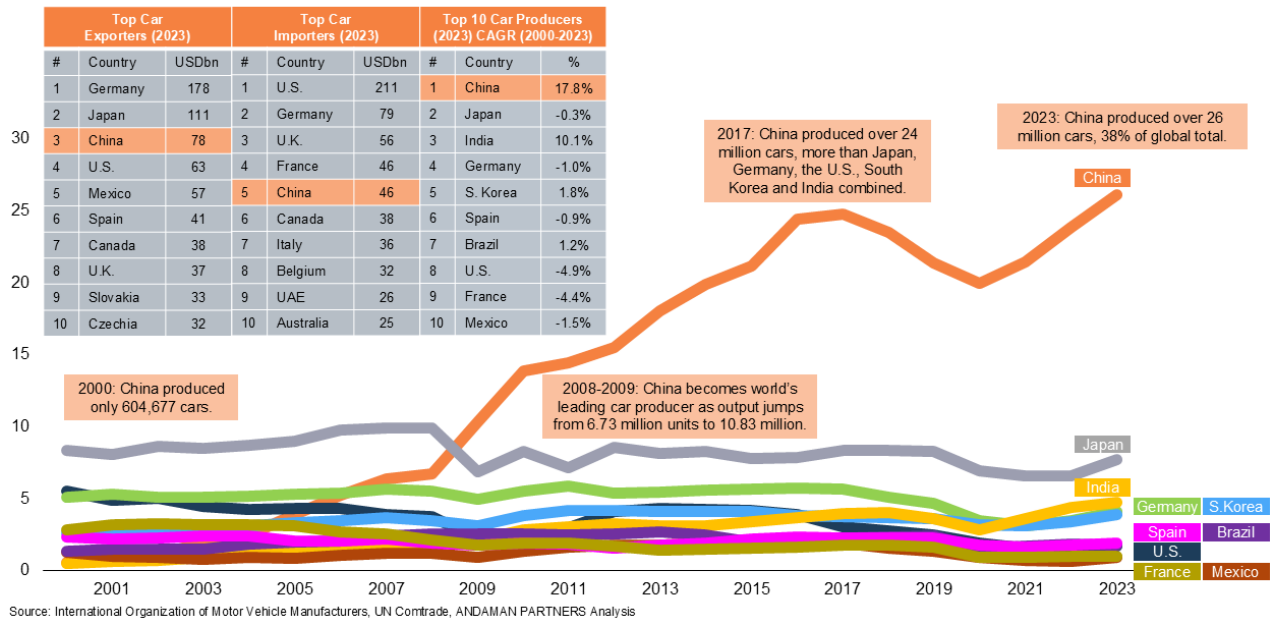


China’s Domination of Global Car Production and Rising Exports

With advantages in production capacity, new technology and control of supply chains, China is in a class of its own when it comes to producing cars. From 2000 to 2023, this one country accounted for a quarter of global production. China is also ramping up car exports, eliciting tariffs on electric vehicles in major international markets. Yet most of China’s car exports are still composed of conventional cars running on fossil fuels.

Top 10 Countries by Car Production, Units mn (2000-2023)



For building cars, China rules the world:

- **Becoming the leading producer:** In 2008, when the Global Financial Crisis gripped the global economy, output in all the leading car-producing countries stagnated, except in China. Output increased by 3.46 million units to well over 10 million units, making China the world’s leading car producer.
- **Widening the gap:** In the years since, the gap between China and the rest of the world widened considerably. In 2023, China produced almost as many cars (26.12 million units) as the rest of the top ten producing countries combined (27.93 million units).
- **A quarter of the world’s cars:** From 2000 to 2023, China produced 328.19 million cars, accounting for 24% of the global tally of 1.36 billion units. Japan was in second place with 196.94 million units.



How is China able to build so many cars?

- Strong government support: Chinese car producers may have cumulatively received government subsidies of [USD 230.9 billion from 2009 to 2023](#). This contributed to a rapid rise in industrial automation, which has enabled Chinese producers to make significant technological strides, such as autonomous driving and smart manufacturing.
- Vast production capacity: China's production capacity has expanded to such an extent that it now produces [nearly twice as many cars](#) as its local market requires.
- Cost and supply chain advantages: China's car market is highly competitive and growing, especially for electric vehicles (EVs) and hybrids, for which China controls the majority of global supply chains. [Production costs](#) are considerably lower in China, enabling Chinese brands to sell cars in international markets at comparable quality and reduced prices compared to foreign competitors.

In 2023, China was the third-largest exporter of cars behind Germany and Japan at USD 78 billion, a significant increase from just over USD 45 billion in 2022 when China was the sixth-largest exporter. According to the China Association of Automobile Manufacturers (CAAM), China's car exports in 2023 grew 57.9% year-on-year to a record high of 4.91 million units; exports of EVs grew by 80.9% and hybrids by 47.8%. This is a massive turnaround from 2020 when [China was a net importer of cars](#).

The U.S., Canada, India, the EU and other markets have levied increased tariffs on Chinese EVs. However, most of the cars China sold abroad in 2023 were of the conventional internal combustion engine (ICE) type, which was especially popular in regions like the Middle East, Latin America, Southeast Asia and Russia.

Chinese EV exports will likely face considerable trade barriers in the coming years, but exports (especially of ICE cars) will keep rising, meaning that China will soon be the world's leading car producer AND exporter.

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